GLOBAL ENVIRONMENT CENTER

FY 2000
RESULTS REVIEW
AND
RESOURCE REQUEST (R4)

April 17, 1998

Note:

Non-text files (e.g., spreadsheets, charts, maps, etc.) have been appended at the end of the document

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Introduction

Overview: The Development Context

Global environmental issues took front stage on the international arena in FY97 and early FY98 as the Kyoto Summit spotlighted the growing threat of global climate change (GCC) to the planet's future. At Kyoto, 159 nations reached a historic agreement to adopt the first legally binding international protocol to stem GCC. Provisions called for reducing global greenhouse gas emissions by 5.2 percent below 1990 levels by the year 2012.

While discussions on climate change largely looked toward mitigating future impacts, the appearance of El Niño brought home the immediate damage wrought by global environmental phenomena on developing and developed countries alike. Television sets in the U.S. beamed images of Asian urban and rural areas blanketed by a choking pall. Combined with already unacceptably high levels of air pollution, this haze sent thousands of people to hospitals and caused an estimated $1.4 billion in losses to economic productivity. The impacts on biological diversity and indigenous communities of unprecedented forest and land burning in Indonesia, and more recently in the Brazilian Amazon, have yet to be fully understood. On the Pacific coast of South America, record-breaking floods caused loss of life and widespread destruction of roads, bridges, water lines, and homes, washing away years of progress for hundreds of coastal communities and cities. In the United States, El Niño extracted a heavy toll as well, drenching large parts of the West Coast and Southeast.

These global environmental issues also dominated many international leadership efforts of the United States Agency for International Development (USAID) Global Environment Center (G/ENV) in FY97 and early FY98. The Center played a major role in helping lay the groundwork to fulfill President Clinton's commitment to assist developing countries in reducing the threat of global climate change. The Center worked closely with the White House and State Department to develop policies and programs that engage developing countries as full participants in international global climate change activities. The Center's lessons learned in sustainable energy production and its research on measuring carbon sequestration were significant contributions to discussions at Kyoto. Within USAID, the Center marshaled technical staff in Washington and in the field to formulate the Agency's Global Climate Change Initiative, issued in January 1998. In the process, the Center helped mainstream GCC across the Agency's sustainable development goals.

Helping countries cope with El Niño was another priority for the international community, as well as for the Center. For example, as part of U.S. emergency response efforts to combat raging forest fires in Indonesia, the Center worked with USAID/Jakarta and the U.S. Forest Service to distribute satellite imagery of affected areas and to field a team of U.S. experts on forest fires to Indonesia. These activities opened the door for further forest monitoring efforts between the two countries. The Center also participated in an inter-agency working group to establish the $4 million Southeast Asia Environmental Initiative, a U.S. government program to come under Center management in FY98 to address the fires in a more comprehensive way.

More generally, G/ENV programs that assisted countries in preparing for natural disasters and that encouraged sound natural resource management also helped mitigate the impacts of extreme climatic events, such as El Niño.

While GCC and El Niño activities demonstrated USAID's important role in helping set the international environment agenda, the Center also provided Agency leadership in new approaches to address environmental and development problems. For example, the Center promoted greater awareness within the Agency and among counterparts about the close link between rapid urbanization and underdevelopment and about the importance of improving urban governance to expand and maintain environmental services for the world's urban poor. The Center and its partners achieved a major milestone when the city of Ahmedabad, India, issued South Asia's first municipal bond, which attracted $27.6 million to construct sewers and water projects in low-income neighborhoods. According to the *Wall Street Journal*, the bond was a "triumph" for USAID in its efforts to bring U.S.-style municipal management and accountability to India. Moreover, the Center and its partners received requests from six other cities in India, as well as from the World Bank, to help replicate similar initiatives elsewhere.

Measuring Portfolio Performance

Against this global backdrop, the Center also worked internally to improve its performance monitoring system for its field operations and Agency and international leadership goals. Three strategic support objective (SSO) teams, comprised of 10 intermediate results (IR) teams, worked closely with partners to refine results frameworks, indicators (including setting baselines and targets), and monitoring plans.[1] By the end of FY97, most SSO and IR teams had the major elements in place to measure performance by comparing FY97 targets with their actual results. This compares favorably with FY96, when three IR teams and two SSOs measured their performance using methods prescribed under re-engineering. While the Center devoted considerable attention to strengthening its monitoring plans, staff recognized that measuring performance is an evolving process that requires periodic assessment and adjustment to maximize the tool's utility. As the SSO-level narratives of the Results Review and Resource Request (R4) detail, teams made significant progress in tracking performance during this transitional year, and continued to assess what does and does not work for the purpose of improving performance measurement in the coming years.

Performance findings indicate that all three SSOs teams achieved an overall rating of "met" or "exceeded" for FY97, as indicated in the table on the following page.

[1] The Center tracks "program-level indicators" that capture the environmental and developmental results achieved through collaboration with a broad array of partners, including Missions, Regional Bureaus, cooperators, local nongovernmental organizations, and host-country governments. While program-level indicators form the core of the Center's monitoring plan, G/ENV also fulfills several value-added functions that are not captured by program indicators. Thus, the Center also tracks "value-added indicators" in technical assistance and contracting support to Missions and support in strengthening Agency and international environmental policy. For more information, see the Center's Performance Monitoring Plan.

Summary of G/ENV Performance in FY97

Overall Performance Rating		SSO Indicators Rating*	
SSO1: Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas	Met	Hectares under *improved* management	Met
		Hectares under *effective* management	Met
		Number of policy successes	Exceeded
SSO2: Improved management of urbanization in targeted areas	Met	Households benefiting from improved urban environmental services and shelter	Met
		Industries integrating pollution prevention/clean production	Fell short
SSO3: Increased, environmentally sustainable energy production and use	Exceeded	Greenhouse gas emissions avoided	Met
		Private and public investment leveraged	Exceeded
		Policies adopted and implemented	Exceeded

* G/ENV's monitoring plan relies on program and value-added indicators to measure SSO performance. However, because value-added indicators were adopted for the first time in FY97, with the first targets set for FY98, this year's performance ratings are based exclusively on findings from program indicators only. A full performance determination based on both program and value-added indicators will be possible in FY98.

Highlights of performance and major results achieved included:

- *SSO1 met its FY97 targets by helping more than 30 countries protect and sustainably use their biological resources, forests, and freshwater and coastal ecosystems.* Some 916,000 hectares (ha) were brought under *improved* management during 1997, exceeding the planned increase of 575,377 ha. The cumulative area with improved management is now more than 12,000,000 ha, an area the size of Pennsylvania. SSO1 also met its target for areas where *effective* management is demonstrably improving or maintaining habitat, although coastal and forestry teams only set baselines for this indicator in FY97. In this year, a total of 418,999 ha were brought under *effective* management, for a total of 872,000 ha for the entire SSO Team. In addition to field-level implementation, the SSO Team worked with international, national, and local partners to achieve 33 policy successes that enable better resource management, double the target of 16. Here, too, newly unified indicators were tracked for the first time in FY97.
- *SSO2 met its FY97 targets by working in 40 countries to strengthen urban and industrial management and to improve environmental conditions for low-income urban communities.*

More than 528,000 low-income households received access to improved urban environmental services, such as potable water, sewerage, and housing — an increase of 14,360 households from the previous year. This was within 7 percent of the targeted 567,000 households. SSO2's pollution indicator, which monitors the number of industrial facilities implementing pollution prevention and control measures, fell short of its FY97 target. A total of 260 industrial facilities were counted, compared to the targeted 400 firms. The target of 400 was set using the assumption that the team could capture 140 secondary interventions that resulted from ongoing training and networking activities. This assumption proved false. Field capacity was inadequate to gather performance data on the additional number of facilities that were assumed to be able to integrate pollution prevention/clean production (P2/CP) practices from secondary interventions. Future targets for this indicator now reflect this experience.

- *SSO3 met its SSO targets by helping more than 20 countries promote environmentally sound energy production and use.* The indicator tracking the amount of money leveraged for sustainable energy was significantly exceeded, with the actual figure of $496 million overshadowing the FY97 target of $385 million. Of the $496 million, more than $300 million resulted following years of Center assistance to prepare sustainable energy projects for World Bank and International Finance Corporation (IFC) financing. In FY97, the Bank and IFC approved renewable and energy efficiency loans with G/ENV assistance for projects in India, Indonesia, Mexico, Namibia, and Sri Lanka, and for a global sustainable energy fund. The cumulative avoidance of greenhouse gas emissions due to Center-supported initiatives reached 436,000 tons, exceeding the target of 435,000 tons, while the indicator measuring the number of policies adopted and implemented also surpassed its target with 23 policies adopted or implemented, up from the 7 targeted.

Factors Affecting Program Performance

G/ENV's portfolio is diverse, reflecting a wide variety of the world's ecological realms and human and economic conditions. In pursuing results, each SSO team often encountered unique in-country factors that either enhanced or detracted from its ability to achieve results, as described in the SSO narratives. However, at the Center level, teams also identified a series of factors that were common to all three SSOs and that often affected the Center as a single operating unit.

Strengthened technical and contractual support to the field. The downsizing of USAID's technical field personnel in recent years has made the Center's role as the Agency's primary provider of environmental technical assistance ever more critical. The challenge for the Center has been to maintain a critical mass of in-house technical staff in relevant fields who can work with Missions to help design and achieve environmental SOs and to develop efficient procurement mechanisms to help Missions tap into environmental expertise around the world. In FY97, the Center made important strides in both areas.

Overview of FY97 G/ENV Core Funds and Field Support

SSO Team	Core Funds ($ million)	Technical Assistance to the Field		Contracting Vehicles Utilized by Missions*	
		Number of Missions and Bureaus	Person-Days	Number of Missions and Bureaus	Amount ($ million)
SSO1	$10.3	31	1,102	16	$33.2
SSO2	$6.4**	40	1,604***	16	$12.3
SSO3	$18.0	21	464	6	$6.0
Cross-Cutting****	—	—	—	9	$2.8
Total	$34.7	55	3,170	32	$54.3

* Includes Mission and Bureau buy-ins, add-ons, IQC task orders, and OYB transfers obligated to G/ENV mechanisms in FY97.

** Excludes $3.5 million for the Urban Environment Credit Program.

*** Excludes SSO2 long-term management assistance through Regional Urban Development Offices to field Missions.

**** Denotes task orders to the Environmental Policy and Institutional Strengthening Indefinite Quantity Contract that cross the three SSOs for environmental policy and institutional strengthening.

Across the Center, in-house staff provided 3,170 person-days of field support to 55 operating units. Major field assistance activities included helping the Brazil Mission design a new environmental SO for energy and natural resource management and assisting the Nepal Mission in developing an objective to improve the environmental sustainability of hydropower. Figures for individual SSOs reflected the diversity of the Center's portfolio. For instance, SSO2's strong field presence through the Regional Urban Development Offices (RUDOs) enhanced its ability to service multiple countries and regions. Through the RUDOs, SSO2 manages urban environmental strategies for India, Indonesia, Morocco, South Africa, and Zimbabwe, and provides technical and management assistance to all USAID regions. For SSO3, fewer energy programs exist within the Agency's portfolio relative to natural resource management and urban/industrial programs, and these programs tend to be concentrated in priority energy and GCC Missions.

G/ENV mechanisms increasingly attracted support from Missions as a way to access technical and management support for environmental SOs throughout. In FY97, 32 Missions and Bureaus obligated $54.3 million dollars to Center contracts and cooperative agreements. The Environmental Policy and Institutional Strengthening (EPIQ) Indefinite Quantity Contract (IQC) illustrates G/ENV's growing orientation toward serving Missions through new contracting mechanisms. In its first full year of operation, EPIQ attracted 22 task orders, valued at $17.2 million, from 12 Missions and three Regional Bureaus. Task orders benefited Missions with some of the largest and the smallest environmental programs with policy reform objectives. Cross-sector natural resources management policy programs were in progress in Egypt, Russia, and Indonesia, with broader natural resources policy support provided to the Africa Bureau. Similar cross-sector urban and industrial environmental policy activities were implemented in South

Africa and India, and sustainable energy activities were completed or are under way in Russia and India. EPIQ's success was due to many factors, including G/ENV's value-added assistance in working cooperatively with Missions to design and implement scopes of work, the rapid availability of leading environmental policy technical assistance, and a management structure that provides Missions and Regional Bureaus with clear programmatic and contracting authority over task order implementation.

By May 1998, in time for the Center's technical R4 review meeting, G/ENV will review all Mission R4s in from the field to examine the relationship between the Center's performance in providing field support and Mission performance in achieving their own environmental targets. Through this exercise, the Center aims to determine whether any correlation exists between G/ENV field support and Mission performance ratings and to identify priority Missions that may require targeted field support from G/ENV to improve their performance.

Core budget recovers to pre-FY96 levels. The Center's core budget rebounded to $34.7 million in FY97 after a decline of 26 percent the previous year (see Table 3). Budgetary increases this year were generally commensurate with overall increases in the Bureau for Global Programs, Field Support, and Research (Global Bureau).

Table 3. G/ENV Core Funding

Year	Value ($ million)
FY95	$35.9
FY96	$26.4
FY97	$34.7
FY98	$33.9

While the budget increase was a significant positive factor across all SSOs, several IR and SSO teams identified continued budgetary declines and restrictions as obstacles to results achievement. For SSO2, a $0.5 million reduction in the Urban Environment Credit Program (from $4.0 million in FY96 to $3.5 million in FY97), combined with requirements to work exclusively in creditworthy countries, put at risk the urban team's ability to enter or maintain a presence in much of Africa and Latin America, regions where urbanization has reached crisis levels. In the case of SSO3, sustainable energy program funds were partially diverted to GCC activities to support the Center's new role in this area, and earmarks under SSO1 restricted the team's ability to manage their programs for results. Staff also noted that the lack of OE funding for travel hampered their ability to provide technical and management assistance for field programs.

Staffing levels stabilized. Staff levels remained steady in FY97 following the FY96 reduction in force (RIF), at which time 3 of 10 IR team leaders left their posts. To compensate for the loss, the Center recruited new Direct Hires from the field and adjusted internal staffing assignments. In several cases where a minimum number of technical staff was essential for program

management and servicing of Agency technical assistance needs, the Center entered into agreement with the United States Department of Agriculture (USDA) to hire new RSSAs. While this arrangement was regarded as essential, one important implication was that program funds were used to maintain a critical number of in-house technical staff, and, in spite of the new RSSAs, several IR teams still were unable to accommodate all Mission requests for technical assistance because they were understaffed. The Center needs to hire more Direct Hire staff to maintain its program excellence.

In addition to the need to adjust to lower Direct Hire staff levels in FY97, the Center grappled with the unforeseen responsibility of leading the Agency's GCC activities, which placed additional burdens on all SSO teams. In the Office of Energy, Environment, and Technology, 5 of 12 staff were dedicated nearly full-time to climate change activities. In the Office of Environment and Natural Resources, six staff worked on a part-time basis on climate change. One implication of this diversion was that staff had less time to manage the current environment portfolio.

Over the longer term, the Center has grown increasingly concerned about the lack of junior environmental officers entering the Agency through the IDI program who can ensure, at minimum, that the Agency maintains its current level of Backstop 40 positions. In the coming years, environmental officers will be moving to senior management positions or retiring, and replacements will be essential if USAID is to maintain a minimum core staff of experienced environmental professionals to manage the portfolio.

Delayed contracting actions. A sense of teamwork with the Contracts Office grew over FY97 as that office hired new staff to overcome the heavy backlog of contracting actions. Despite positive relations between the two offices, the Center still noted that contracting actions continued to experience long delays and that the Contracts Office was understaffed despite filling all vacant positions. G/ENV encountered contracting delays on some of its most important mechanisms, including the Water and Energy IQCs; this significantly hindered performance for IR 3.3, which lacked a contract vehicle for most of the year. In addition, staff noted that the Center received its FY97 funding in the third quarter of the fiscal year, compressing the amount of time available to process contracts from four quarters to less than two. The combination of contracting delays and late arrival of FY97 funds were major obstacles for all SSOs.

Increased cross-Center and cross-Bureau collaboration. G/ENV embarked on several new initiatives in FY97 that relied on gaining collaboration from other centers within the Global Bureau and from the Regional Bureaus to achieve greater sectoral integration within USAID's environment programs. Efforts in FY97 included forming a multidisciplinary team of technical staff to draft the Global Climate Change Initiative, sponsoring an upcoming Agriculture and Natural Resource Management IQC with the EG Center, and Joint Action Incentive Fund grants for integrated water resource management in Jamaica and Morocco and for civic participation in Ghana and Paraguay. These activities exemplified the growing trend to collaborate with colleagues outside the environmental area to achieve integrated approaches to development problems.

Work environment at the Ronald Reagan Building. The consolidation of Agency staff into the Ronald Reagan Building provided greater access to other USAID offices, which previously were located in the State Department. However, the move also came at a price to staff productivity, with several factors detracting from the work environment. Perhaps most important, restrictions against having on-site contracted administrative support staff created significant bottlenecks to the smooth operation of the office on a day-to-day basis. Staff also noted that G/ENV's new office contains more than 75 cubicles grouped into one large room. For some people, excessive noise levels limited their ability to concentrate on writing assignments, maintain meetings with external contacts, and perform other tasks that typically require quiet. Staff also noted that the shortage of meeting rooms impeded teamwork. Furthermore, the Center's ability to provide intellectual leadership was hampered by USAID/Washington's continued use of outdated word processing software, which restricted the Center's ability to retrieve externally produced electronic documents written in Word or WordPerfect 6.1, the current industry standards. In addition to these current factors impeding performance, the Center identified the lack of office space to accommodate new staff, particularly for the new GCC Team.

Future Actions to Enhance Performance

Measures were launched in FY98 to reinforce positive factors that encouraged good performance and to ameliorate those negative factors that impeded performance.

- A new support objective will be adopted to support the achievement of the Agency's GCC objective. The new support objective will require a separate budgetary allocation and a new team of technical personnel, both of which should relieve current burdens on existing SSO teams.
- Building on EPIQ's successes in serving the field, new IQCs will be awarded over the next two years for urban environmental services, integrated water resources management, agriculture and natural resource management, and biodiversity and forest management.
- The Center's regional coordinating unit will be restructured to improve its day-to-day support to Missions and field personnel. Areas to be strengthened include technical assistance for Mission programs, staff training, work force management, human resource development, and information dissemination.
- Under the FY98 Foreign Operations Appropriations Act, the Environment and Economic Growth Centers will launch a Development Credit Authority (DCA) to finance sustainable development projects through market rate loans and guarantees. This new initiative will support all Center SSOs and play a particularly important role in financing GCC activities.
- The dissemination of information throughout the Agency and to partners on critical environmental issues and USAID activities will be a major result pursued in FY98 under a new support contract.
- The Center will work with the Management Bureau to examine options for addressing declines in the number of Agency's environmental Direct Hires and the anticipated shortage of office space to accommodate future growth in staffing.

Org Chart

I. Strategic Support Objective 1: Increased and Improved Protection and Sustainable Use of Natural Resources, Principally Forests, Biodiversity, and Freshwater and Coastal Ecosystems in Key Areas

Part One: Overview and Factors Affecting Program Performance

A. Overview

Activities implemented under SSO1 improved the management of 12,141,977 ha of forests, coastal systems, and other biologically important habitat in 33 countries last year. Through collaboration with 16 Missions, Bureaus, and scores of partners, G/ENV's programs achieved demonstrable biophysical improvements on 872,070 ha worldwide. The primary limitations on program implementation were low program budgets, administrative problems and budget delays, and lack of Center-based personnel at a time when the Agency increasingly relies on the Global Bureau's expertise to respond to problems in the field.

Beyond working with Missions to implement on-the-ground programs, the SSO1 Team provides Missions with technical assistance, technical leadership, and access to specialized skills. The Team also works on behalf of the Agency in global forums and played key roles in 46 international policies, strategies, programs, and projects last year.

Different teams within the SSO focused on biodiversity, forestry, aquatic resources, and environmental education last year. A major effort was invested in the development of a new Performance Monitoring Plan that provides a unified and quantitative view of program effectiveness across this diverse set of natural resource management and environmental communication efforts. The effectiveness of related objectives in field programs, Mission support, and leadership in global forums are evaluated separately. Work on the plan is continuing to refine performance and documentation standards within and across teams and with partners. Ratings reported here are based on individual IR performance as well as overall SSO indicators, where available (for some SO indicators, FY97 was a baseline year).

USAID's highest purposes are supported by SSO1, including 1 of 16 strategies in the U.S. Strategic Plan for International Affairs, to “secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation,” and one of USAID's seven goals, to “protect the world's environment for long-term sustainability.”

B. Factors Affecting Performance

The SSO1 portfolio is diverse, reflecting a wide array of the world's ecological realms and human and economic conditions. In pursuing results, the SSO1 programs encountered unique in-country factors that either enhanced or reduced their ability to achieve results. Here only factors common to all four IR teams under SSO1 are discussed: budget and administrative bottlenecks and a shortage of environmental program expertise at the Mission level.

Limitations on available core resource levels in several areas, including biodiversity, forestry, and water resources, slowed progress on potential new initiatives in FY97. In addition, the lack of Direct Hire technical staff in the Center required the use of scarce program funds to hire technical expertise, primarily through RSSA and AAAS programs, to carry out its programs.

A second factor affecting Team performance that is becoming increasingly prevalent is the shortage of technical staff in the field. This is decreasing ability of Mission environmental staff to adequately manage field activities. Missions increasingly require assistance from the SSO1 Team, which has provided 1,100 person-days of support. The Team cannot meet all requests, however, and the lack of technical expertise in some Missions is creating problems that could have been easily avoided or best resolved locally. The SSO1 Team needs more staff to effectively carry out its program as planned.

This further limited the amount of program funds available for conservation activities. The Office of Procurement is overburdened and was not able to handle the ENR Office FY97 workload. For example, the Water IQC has been delayed for over a year, and may not be issued until the next fiscal year. Other budget problems hampering staff effectiveness and impact include difficulties faced while obligating funds through the NMS. This has caused lengthy delays and disrupted implementation schedules on a number of activities. The extra staff time required to solve these problems compounds their negative impacts. The new (April 1997) guidance restricting the flexibility of cooperative agreements has required increased investment of staff time to restructure ENR Office programs.

Part Two: Progress Toward Interim or Final Results

The SSO1 Team made significant progress in program implementation and recorded meaningful accomplishments in all four results packages. However, because the Team continued to define, refine, and integrate performance indicators into a common framework for the Office, the performance results are still showing many “baseline” values for FY97. For certain indicators, we have been able to measure approximate progress using previously collected data for similar indicators from FY96.

Performance is measured in terms of the two ways in which the SSO1 Team contributes to sustainable natural resources management. First, the Team funds *programs*, in close cooperation with Missions, which complement Mission programs and contribute to the Agency's global environmental objectives. SSO1 involves four interrelated results packages designed to address the highest priorities of sustainable natural resources management. Second, the Team provides *technical assistance* to Missions and Bureaus.

Program performance. SSO1 met its targets, primarily as determined by the individual IR performances (as new SSO indicators were adopted this year, the Team relied heavily on measuring progress at the IR level to determine overall SSO performance). Working with Missions and its other partners, the SSO1 Team helped improve the management of 12,141,977 ha of forests, freshwater and coastal ecosystems, and other biologically important habitat in 33 countries. SSO1 programs achieved demonstrable biophysical improvements on a cumulative total of 872,070 ha, an area equivalent to the size of Puerto Rico. In addition, the

Team worked with local nongovernmental organizations (NGOs), national governments, and other partners to achieve 28 policy successes that resulted in demonstrated improvements in natural resources management. Summary tables detail the progress toward results by SSO; IR narratives and indicators are in Annex A.

The Biodiversity Team met or exceeded all of its SSO-level targets. Progress also proceeded as planned for the lower-level intermediate result indicators. The Forestry Team generally met its SSO-level indicators for areas placed under *improved* and *effective* management, although baselines for many of the Forestry Team's indicators were set in January 1998 and data collected in March 1998. Therefore, lower-level indicators and professional judgment were used to determine progress toward objectives in the absence of an established reporting framework. The Environmental Education and Communication (EE&C) Team met its performance target for the number of agencies, NGOs, and institutions where EE&C strategies, methods, and tools have been tested and applied sysematically in environment-related programs. The Coastal and Freshwater Resources Team met its performance goal for areas in key countries with *improved* management and established baselines for areas in key countries with *effective* management and number of partners adopting integrated coastal management (ICM) strategies, policies, concepts, and tools developed by G/ENV.

Technical Assistance. The SSO1 Team provides technical assistance to Missions and Bureaus in developing environmental strategies, designing new programs and activities, supporting program implementation, and monitoring and evaluating the performance of environmental programs. In 1997, the Team provided more than 1,100 person-days of technical assistance to 30 USAID Missions. The Team also manages a portfolio of programs in close cooperation with Missions and Bureaus. In 1997, 16 Missions partnered with the Office in creating and managing a $25 million program. Another important component of the SSO1 Team portfolio, described as "value-added," is its contribution to Agency and U.S. government leadership in global environmental issues, international negotiations, and inter-governmental programs. For example, the Team played a key role in leading the Agency's Global Climate Change Initiative.

On behalf of the U.S. Government, the Center continued to play a critical role in bringing the lessons learned from USAID experience in the environment to help formulate and implement major international environmental conventions and agreements. Highlights include supporting the Convention on Desertification; drafting major portions of two U.S. Government reports for the Convention on Biological Diversity; contributing to discussions on the role of biodiversity in forest management as part of preparatory meetings for the Forestry Convention; and leading discussions on freshwater management held by the Subsidiary Body for Scientific, Technical, and Technological Advice for the Biodiversity Convention.

In some cases, the SSO1 Team supports environmental programs in strategically important countries without an environmental objective or a USAID presence. For example, Team support for the Asian Forest Network is helping sequester carbon in India, a priority country for global climate change. Other programs promote the conservation of biological diversity in Papua New Guinea and the Pacific Islands, areas of exceptionally high biological diversity. The Team also developed new initiatives, including regional conservation priorities, which are needed for guiding large-scale programs among multiple donors, but which would not occur at a Mission level.

Summary of G/ENV/ENR Progress Toward SSO1
Summary of G/ENV/ENR Progress Toward Intermediate Results

Result	Overall Performance Rating	Indicator	1997		Rating
			Planned	Actual	
SSO1: Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas	Met	Hectares under *effective* management	630,000	872,070*	Met (1)
		Hectares under *improved* management	11,723,777	12,141,977	Met
		Number of policy successes	16	33*	Exceeded
1.1: Effective biodiversity conservation and management	Met	Area (ha) of biologically important habitat under *effective* management	630,000	678,426	Met
		Area (ha) of biologically important habitat under *improved* management	10,300,000	10,500,000	Met
		Documented improvements in biodiversity conservation as a result of *improved* policies or policy implementation	16	28	Exceeded
1.2: Improved management of natural forests and tree systems	Met (2)	Area (ha) of forest lands placed under *effective* management practices	baseline	59,200	**
		Area (ha) of forest lands placed under *improved* management practices	623,000	841,200	Exceeded
1.3: Environmental education and communication strategies, methods, and tools systematically applied in USAID-assisted countries	Met	Number of agencies, institutions, and NGOs where EE&C strategies, methods, and tools have been tested and applied systematically in environment-related programs.	23	24	Met
1.4: Increased conservation and sustainable use of coastal and freshwater resources	Met	Area in key countries/regions with *effective* ICM programs	baseline	134,444	Met
		Area in key countries/regions with *improved* ICM programs	800,777	800,777	**
		Number of partners adopting ICM strategies, policies, concepts, and tools developed by G/ENV	baseline	5	**

* Includes baseline hectares and policy successes reported under IR 1.4, although targets were exceeded without including these values.

** FY97 value is baseline.

(1) Only one of three teams (Biodiversity) is reporting against stated targets for FY97. Total amount includes Forestry and Water Team number, which are FY97 baselines.

(2) Baselines for many of the Forestry Team's indicators were set in January 1997 and data were collected in March 1997. Therefore, lower-level indicators and professional judgment were used to determine progress toward objectives in the absence of an established reporting framework.

Note: Discrepancies between planned and actual amounts are discussed in Annex A.

Value-Added Performance Data Tables
Field Support — Technical Assistance

SSO1 value-added result: SSO1 technical assistance used by Missions

Value-added indicator 1: SSO1 field-based assistance (TDYs) provided in response to Mission/Bureau requests

Unit of Measure: (a) Number of Missions; (b) person-days

Year	1997	1998	1999	2000	2001	2002	2003
Target	baseline	a. 31 b. 1,100	a. 31 b. 1,100	a. 31 b. 1,100	a. 31 b. 1,100	a. 31 b. 1,100	a. 31 b. 1,100
Actual	a. 31 b. 1,102	a. b.	a. b.	a. b.	a. b.	a. b.	a. b.

Indicator Description: Includes TDYs only by DH, RSSA, AAAS, or counterpart staff, using SSO1 funds, to support USAID missions. TDYs financed by Missions, Bureaus, or cooperators would NOT be counted.

Much of the Forestry Team work is accomplished through interagency agreements and is not represented in these totals.

Field Support — Contracting Vehicles Used

SSO1 value-added result: SSO1 contracting vehicles utilized by Missions/Bureaus

Value-added indicator 2: Mission buy-ins, add-ons, OYB transfers, IQC task orders, managed orgs

Unit of Measure: (a) Number of Missions, (b) US dollars (millions)

Year	1997	1998	1999	2000	2001	2002	2003
Target	baseline	a. 16 b. 25.29	a. 16 b. 25.29	a. 16 b. 25.29	a. 16 b. 25.29	a. 16 b. 25.29	a. 16 b. 25.29
Actual	a. 16 b. 25.29	a. b.	a. b.	a. b.	a. b.	a. b.	a. b.

Indicator Description: Number of Missions and US dollars, by fiscal year, corrected by carry-overs to preceding and subsequent years. Values by fiscal year as determined by official Center records.

Much of the Forestry Team work is accomplished through interagency agreements and is not represented in these totals.

Agency Leadership Indicator Table

Result: Agency environmental objectives advanced within USAID through G/ENV technical leadership and field support.								
Indicator 3: Number of USAID policies, strategies, and programs reflecting G/ENV leadership.								
Unit of Measure: Number of USAID policies, strategies, and programs.								
Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**Total**
Target	Baseline	35	35	35	35	35	35	210
Actual	35							35
Indicator Description: Reflects field support assistance provided to Missions and Regional Bureaus and at the request of the State Department for regional initiatives funded through G/ENV core resources. To be counted, a Mission, Bureau, or USAID initiative must have received substantial SSO1 Team support, and a substantive change in its policies, strategies, and/or programs has resulted from this support.								

International Leadership Indicator Table

Result: Agency environmental objectives advanced in international forums through G/ENV international leadership								
Indicator 4: Number of international policies, strategies, programs, and projects reflecting G/ENV leadership.								
Unit of Measure: Number of international policies, strategies, programs, and projects. May include international conventions, multilateral development bank (MDB) and other donors, and United States Government (USG) initiatives								
Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**Total**
Target	Baseline	46	46	46	46	46	46	276
Actual	46							46
Indicator Description: To be counted, an international convention, MDB, other donor, or international USG initiative must have received substantial SSO1 Team support. The figure reported is aggregated from each high-level IR.								

II. Strategic Support Objective 2: Improved Management of Urbanization in Targeted Areas

Part One: Overview and Factors Affecting Program Performance

A. Overview

Globally, the urban population is growing at an unprecedented rate. At the end of this century, over half of the world's population will reside in urban areas. Most of this growth will occur in developing countries. It is expected that the urban population in developing countries will increase by 2.5 billion people over the next two decades. Urbanization has been correlated with a variety of positive socioeconomic changes in many countries. However, the **rapid rate of growth** places tremendous pressure on the limited resources and management capacity of most developing countries. The inability of cities to manage the urban environment sustainably has negative repercussions, such as environmental degradation, harmful impacts on human health, political instability, and reduced economic growth.

The challenge in the coming decades is to redirect this process so that cities can achieve their full economic potential while protecting and improving the environment. The mission of the Office of Environment and Urban Programs (G/ENV/UP) is to improve the living conditions of the urban poor by promoting development practices that balance social, economic, and environmental concerns without endangering the well-being of future generations.

This year, G/ENV/UP's central unit in AID/W and its eight RUDOs worked in 40 countries in Asia, Africa, Latin America, and Eastern and Central Europe to expand the access of the urban poor to basic services and shelter, strengthen the management capacity of cities, encourage participatory democracy, facilitate decentralization policy reform, and improve host-country capacity to reduce industrial pollution.

During FY97, G/ENV/UP developed a stronger and more complete performance monitoring system. SSO and IR titles have changed to more accurately reflect the objective of SSO2's activities. “Lower-level” sub-intermediate results were developed under each of the three SSO2 Intermediate Results for ease in understanding the connection between activities and the Intermediate Results. A set of indices were developed for IR 2.1, “Expanded and equitable delivery of urban environmental services and shelter” and IR 2.2, “More effective local governments.” These indices correspond to the sub-intermediate results under each of the IRs. The indices use a set of four stages to “rank” or tabulate the progress made on a continuum of steps necessary to achieve a given result. These indices capture the myriad management processes that cities go through to improve their urban environments. Baselines and targets for each of the sub-intermediate results were established in FY97, and will provide a quantifiable comparison of expected progress with accomplishments. These changes will enhance the ability of SSO2 to track and report on program results beginning in FY98.

B. Factors Affecting Program Performance

Two major factors affected program performance at the SSO level during FY97 and will continue to have an impact on program performance during FYs 1998-2002: (1) reduced funding

for the Urban and Environment (UE) Credit Program and (2) reduced funding for tracking results under the Environmental Pollution Prevention Program (EP3).

First, SSO2's UE Credit Program subsidy levels declined from $4 million in FY96 to $3.5 million in FY97. This reduced program authorization levels from $82 million for four countries in FY96 to $44 million for four countries in FY97.

In FY97, $150 million was disbursed, which resulted in 528,570 beneficiary families receiving access to urban services and shelter. Given the continuing decline in the UE Credit Program subsidy levels to $3 million in FY98, disbursements will be considerably lower in FYs 1999–2002, resulting in declines in the number of beneficiaries under the program. Thus, FY99 and FY00 targets for number of households benefiting from improved urban environmental infrastructure and shelter solutions had to be revised downward to reflect this decrease in program levels.[2]

Second, the EP3 program initiated an extensive field survey to determine the feasibility of collecting data on secondary impacts (i.e., those impacts that resulted from interventions other than facility audits). The findings of this exercise revealed that the field offices did not have either the resources or staff to conduct surveys to collect secondary impacts, and no new funding was available from core resources to capture these results.

G/ENV/UP's continued decline in staff numbers has stretched capacity to provide technical leadership to many Missions and countries interested in incorporating urban-related concerns into their programming. During FY97, two of the three IR teams in AID/W did not have a permanent team leader for much of the year. In addition, two of the three IR teams did not have USDH staff during FY97. For the most part, this issue will be resolved by the end of FY98.

In FY97, G/ENV/UP initiated a proactive review of the UE program's compliance with the Agency's Environmental Procedures (22 CFR 216). The purpose of this exercise was to verify that conditions set in Initial Environmental Evaluations (IEEs) for selected programs are being met. This review process was not a requirement of the IEEs but instead was initiated to confirm SSO2's commitment to integrate environmental procedures into its UE activities. Reviews were conducted for Tunisia, Morocco, India, and the Czech Republic. For each country review, the Global Bureau Environmental Officer certified that the programs are in compliance with the Agency's environmental procedures.

[2] UE program funds are generally disbursed in tranches beginning two or three years following loan authorizations and obligations. Program results are then reflected between one and five years following obligation of the program funds. Annual targets for the UE program are based on expected disbursements and not on expected authorizations. This allows G/ENV/UP to more accurately measure progress.

Part Two: Progress Toward Objectives

A. Performance Analysis at the SSO Level

G/ENV/UP's SSO2 team assessed progress for FY97 at the SSO level using two quantifiable indicators: "Number of households provided with access to urban environmental infrastructure and shelter solutions" and "Number of industries integrating pollution prevention/clean production (P2/CP) concepts and technologies into their daily operations and manufacturing processes." During FY97, 528,570 households were provided with access to improved urban services and shelter. This figure is within 7 percent of the targeted projection of 567,000 households, nearly meeting the numerical target.[3]

G/ENV/UP captured 65 percent of its target for reduced urban pollution. In FY97, a total of 260 industrial facilities reported in a survey implementing P2/CP practices, compared to a target of 400 facilities. The target of 400 was set using the assumption that the team could capture 140 facilities from secondary impacts. This assumption proved false. There was insufficient field capacity to collect data on secondary impacts (facilities that integrated P2/CP practices after participating in training and networking activities). The previous R4 noted this potential problem and stated specifically that the ability to collect secondary data was a *condition* and a critical assumption for meeting the pollution reduction target of 400 facilities in FY97. Without the in-country capacity in place to measure secondary impacts, these results cannot be reported accurately. Future targets for this indicator now reflect this experience.

Adjustments have been made in targets for both SSO-level indicators since last year's R4. First, the FY97 target for the number of households benefiting under the UE loan program was revised downward due to a miscalculation in the original target. In the calculation of the FY97 target, some programs were reported using persons as the unit of measurement, instead of beneficiary households. This calculation was corrected, and the target was revised accordingly. In addition, targets for the number of beneficiary households for FYs 1998–2000 have been revised. G/ENV/UP has adopted a new methodology for calculating the number of target households under the UE program, to provide a more consistent and reliable reporting system. FY97 target beneficiaries were calculated by determining the actual number of beneficiaries that would be realized in that year. The RUDOs use a number of data collection methods to calculate their targets, which are necessary due to the intricacies of each program. However, the exercise of combining these calculations into one annualized target is both time- and management-intensive. Due to differences in each program of how and when beneficiaries are calculated, aggregating these data into one annualized target requires a number of assumptions. For future targets, beginning in FY98, G/ENV/UP has adopted a methodology that links the target number of beneficiaries directly to the disbursement of UE loans. The primary benefits of using this method are (1) the method can be applied uniformly to all UE programs, and (2) it results in a higher degree of consistency, compared with the previous method. This methodology is also more useful

[3] Data reported for the UE indicator are the best available information to date. As part of the Office's UE program GAO reporting requirements, data on the number of beneficiaries are collected by RUDOs in June 1998 for fiscal year 1997. The G Bureau's R4 schedule does not allow for a complete collection of data for this indicator.

as a management tool because it allows for a better understanding of the impact of authorization levels on the entire UE program. G/ENV/UP does not control the timing of disbursements. Therefore, they are difficult to predict, particularly several years into the future. UE targets will need to be revised to reflect the actual authorization levels received in FY99, and as updated information is received on our counterparts' desired disbursement schedules.

For the second SSO-level indicator, the FY98 target for the number of industries integrating P2/CP practices and technologies into their daily operations and manufacturing processes was revised downward based on lower-than-anticipated staff and resource capacity for collecting data on secondary impacts of the program. The EP3 program closed offices in three countries as part of its plan to phase out operations by July 1998. The target for FY98 will capture only those results that are within the manageable interests and staff capacity of the remaining EP3 field offices.

In FY97, four “value-added” indicators were introduced at the Center level. For Indicator 1, G/ENV/UP provided 40 Missions with 1,604 days of field-based assistance in response to Mission requests. For Indicator 2, 16 Missions and Bureaus used more than $12 million of G/ENV/UP contracting vehicles through Mission buy-ins, OYB transfers, and IQC task orders. For Indicator 3, the SSO2 team provided Agency leadership for 30 policies, strategies, and programs. Key results were introducing programs promoting public-private partnerships and commercial delivery of water and sewer services for two Missions in Asia; introducing, for the first time in Asia, the use of credit ratings for local municipal governments; developing the Agency's first Resource Cities Partnership Program; and designing the Agency's largest and most complex local government strengthening program, currently under way in Poland. For Indicator 4, G/ENV/UP provided international leadership for 37 policies, strategies, and programs. Key results were development of the U.S. Government's negotiating strategy for the UN General Assembly Special Session on Sustainable Development, with special focus on urban finance and citizen participation; forging agreement among donors on the need to reform the United Nations Commission on Human Settlements (UNCHS); developing U.S. Government positions for the Asia-Pacific Economic Cooperation's Sustainable Cities Action Agenda; leading the U.S. Government initiative to include reduction of lead in gasoline and other hazardous exposures as a major action agenda in Asia; and obtaining the first loan approval by the Asian Development Bank (ADB) to support Indonesia's Municipal Regional Development Account.

Other notable G/ENV/UP accomplishments during FY97 include helping secure USAID agreement on a Credit Management Improvement Action Plan and outsourcing UE loan management services. This will facilitate improved efficiency and accountability in the servicing of the UE loan portfolio. In addition, G/ENV/UP met its management goal of closing the RUDO in Tunisia during FY97. SSO2 also helped establish a housing subcommittee of the U.S.-South Africa Binational Commission.

SSO2 Performance Assessment

	Overall Performance Rating	Individual Indicator Ratings	
SSO2: Improved Management of Urbanization in Targeted Areas	Met	SSO Indicator 1 SSO Indicator 2 SSO Value-Added Indicators 1-4	Met Fell short (*)

(*) FY97 is the baseline year.

Intermediate Results Performance Assessment

Intermediate Result	Overall Performance Rating	Individual Indicator Ratings	
IR 2.1: Expanded and Equitable Delivery of Urban Services and Shelter	Met	IR 2.1.1 Indicators 1-5 IR 2.1.2 Indicator 1	(*) Met
IR 2.2: More Effective Local Governments	Baseline year	IR 2.2.1 Indicators 1-4 IR 2.2.2 Indicators 1-4 IR 2.2.3 Indicators 1-3 IR 2.2.4 Indicators 1-4	(*) (*) (*) (*)
IR 2.3: Reduced Urban Pollution	Met	IR 2.3.2.1 Indicator 1 IR 2.3.2.2 Indicator 1 IR 2.3.2.3 Indicator 1	Exceeded Fell Short Exceeded

(*) FY97 is the baseline year.

B. Expected Progress (FYs 1998–2000) and Management Actions at the SSO Level

Projected disbursements under the UE Credit Program of $155 million in FY98 and $35 million in FY99 are expected to benefit 579,000 families in FY98 and 186,000 families in FY99. In FY00, a projected disbursement of $80 million is expected to benefit 296,000 families. The decrease in expected beneficiaries in FY99 reflects two factors. First, FY98 is the last borrowing for the CABEI program, which provides loans to Central American municipalities for upgrading environmental infrastructure and services. Second, due to the ongoing financial crisis in Indonesia, no authorization will occur during FY98.

The revised target number for industrial facilities implementing P2/CP practices and technologies in FY98 is 90 facilities. This figure represents revised field predictions based on impacts from primary interventions with specific industrial sectors. In FY99, a new indicator measuring the implementation of environmental management systems (EMS) and global climate change activities will be used to measure progress at the SSO level. This indicator will be revised during the development of a new results framework and package for EMS and GCC.

Other activities anticipated during FYs 1998–2000 include continued restructuring of the field RUDO offices and the issuance of a new technical assistance contracting vehicle. Reorganization of RUDOs will continue through FY98 to adjust to straight-lined levels of OE. It is expected that RUDO/Guatemala and RUDO/Quito will be consolidated into one RUDO for Latin America and the Caribbean (LAC), headquartered in Ecuador, with a sub-regional office in Guatemala. Finally, a new IQC will be put in place during FY99, reflecting the breadth of the urban portfolio.

C. SSO2 Performance Data Tables

Result: SSO2 Improved Management of Urbanization in Targeted Areas

Indicator: Total number of households benefiting from improved urban environmental infrastructure and shelter solutions

Unit of Measure: Target households

Source: Reports from RUDOs, Annual Urban Environmental Credit Program Performance Monitoring Data

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002
Target	Baseline[1]	N/A[2]	N/A	567,000[3]	579,000[4]	186,000[5]	296,000	TBD	TBD
Actual	4,784,976	484,559	514,210	528,570					

Indicator Description: Urban environmental infrastructure and shelter refers to any activities providing mortgages; small home loans; construction loans; and servicing of sites with water, sewage treatment, and/or solid waste disposal.

Note: Targets and actuals are highly dependent on eventual credit-subsidy levels and decisions and ability of countries to borrow (or request disbursements) in a given year. Hence, numbers chosen reflect expected disbursements of authorized loans only. Targets for FYs 1999–2000 begin to show the impact of the decline in UE authorization levels starting in FY96.

In addition to lending in countries with active USAID Missions, SSO2's UE activities include lending in four non-presence countries: Chile, Costa Rica, Czech Republic, and Tunisia.

[1] 1994 represents cumulative data for the impact of the Urban Environmental Credit Program (formally the Housing Guaranty). Subsequent data show the annual increase in the number of households benefiting from improved environmental infrastructure and shelter solutions. There is usually a lag of one to five years between authorizations (appropriated funds) and loan disbursements or results.

[2] In 1996, G/ENV/UP began collecting data on number of beneficiaries on a disaggregated annualized basis. Annual targets were not set until FY97. Previously, life-of-project totals (which could span five or more years) were reported. 1995 actual is deduced data.

[3] The target for 1997 has been revised from the previous R4 due to a miscalculation in the original FY97 target. Part of the calculation used persons as the unit of measurement, instead of beneficiary households. The 1997 target was recalculated and revised downward from 799,598 to 567,000.

[4] Targets for FYs 1998–2000 were revised to reflect anticipated disbursements.

[5] Explanation for the decrease in projected beneficiary households: FY98 is the last borrowing under the CABEI program, which provides loans to municipalities in Central America for upgrading environmental infrastructure and services. In addition, due to the ongoing financial crisis in Indonesia, no authorization will occur during FY98.

Result: SSO2 Improved Management of Urbanization in Targeted Areas

Indicator: Number of industries integrating P2/CP concepts and technologies into their daily operations and manufacturing processes

Unit of Measure: Number of industrial facilities satisfactorily implementing P2/CP concepts

Source: Country survey

Year	1996	1997	1998	1999	2000	2001	2002	2003
Target	132	400	90*	**	**	**	**	**
Actual	298	260						

Indicator Description: This information reflects data supplied by EP3 country programs in Bolivia, Ecuador, Egypt, Indonesia, and Paraguay, and EP3-sponsored activities in Jamaica, Mexico, and Peru. EP3 program closure is formally scheduled for FY98. The ability to conduct follow-up surveys to monitor the industry implementation activities that are expected to continue after this time depends upon the availability of resources and in-country staff.

* Revised target based on results of FY97 field survey includes facilities directly receiving technical assistance. Secondary impacts of training and policy reform are not reflected in this number.

** The preliminary indicator table on the following page is currently under development for use in the R4 for FYs 1999-2001. That indicator will replace this EP3 indicator to measure performance at the SSO level.

Note: This table was amended on February 25, 1998, to adjust Bolivia's numbers and to add information on EP3-sponsored activities in Jamaica, Mexico, and Peru.

Explanation of specific changes:

- Bolivia originally reported 46 new facilities in FY97; now reports 14 new facilities in FY97.
- Bolivia originally projected 22 new facilities in FY98; now projects 6 facilities for FY98.
- Jamaica originally not included in estimates. Eleven new facilities reported for FY97; nine new facilities projected for FY98.
- Mexico originally not included in estimates. Five new facilities reported in FY97; 10 new facilities projected for FY98.
- Peru originally not included in estimates. Six new facilities in FY97; zero new facilities projected for FY98.

Result: SSO2 Improved Management of Urbanization in Targeted Areas

Indicator: Progress toward implementation of improved urban environmental management systems.

Unit of Measure: Index composed of points awarded for completion of steps toward implementation of an environmental management system (GCC and EMS approaches).

Source: RUDO and partner reports.

Year	1996	1997	1998	1999	2000	2001	2002	2003
Target	N/A	N/A	N/A	4*	10**			
Actual								

Comments/Notes: Points are cumulative annually and across pilot cities. Index is not necessarily sequential. Index applies to both GCC and EMS models.

* 4 = 2 points for EMS Phase 1 completion and 2 points for GCC Phase 1 completion
** 10 = 6 points for completion of Phase 2, part in three pilot cities plus 4 points from 1999.

Indicator Description:

Phase 1: EMS and GCC Program Development
- a. Developed general methodology and materials (1 point each for EMS/GCC).
- b. Identified and trained partners in pilot cities (1 point each for EMS/GCC).

Phase 2: EMS and GCC Program Implementation
- a. Identified and adopted policies at municipal level (2 points).
- b. Developed local implementation plan with targets and measures (4 points).
- c. Executed local implementation plan (2 points).
- d. Instituted impact monitoring and feedback mechanisms (2 points).

Note: This indicator table is currently under development for use in the R4 for FYs 1999–2000. Targets for FYs 2001–2003 will be determined during the development of a new results framework for EMS and GCC activities.

Field Support Indicator Tables

Result: G/ENV technical assistance utilized by Missions.

Indicator 1: G/ENV field-based assistance (TDYs) provided in response to Mission/Bureau requests.

Unit of Measure: (a) Number of Missions; (b) person-days

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	a. 39 b. 1,294	a. 41 b. 1,275	a. 40 b. 1,220	a. 36 b. 1,185	a. 34 b. 1,167	a. 34 b. 1,167	a. 224 b. 7,308
Actual	a. 40 b. 1,604	a. b.	a. b.	a. b.	a. b.	a. b.	a. b.	a. 40 b. 1,604

Indicator Description:

Target countries for G/ENV/UP are the eight RUDO-based countries: Ecuador, Guatemala, India, Indonesia, Morocco, Poland, South Africa, and Zimbabwe.

Data reported for FY97 includes USDH, RSSA, AAAS, IDI, IPA, FSN, and PSC. The baseline and targets include all contributions from USAID/W and the field RUDO offices.

Result: G/ENV contracting vehicles utilized by Missions.

Indicator 2: Mission buy-ins, add-ons, OYB transfers, IQC task orders, managed orgs

Unit of Measure: (a) Number of Missions; (b) dollar value in millions

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	a. 16 b.12.347	a. 16 b.12.347	a. 16 b. 12.347	a. 16 b. 12.347	a. 16 b. 12.347	a. 16 b. 12.347	a. 96 b. 74.082
Actual	a. 16 b. 12.347	a. b.	a. b.	a. b.	a. b.	a. b.	a. b.	a. 16 b. 12.347

Indicator Description:

Agency Leadership Indicator Table

Result: Agency environmental objectives advanced within USAID through G/ENV technical leadership and field support.

Indicator 3: Number of USAID policies, strategies, and programs reflecting G/ENV leadership.

Unit of Measure: Number of USAID policies, strategies, and programs

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	30	28	13	12	12	12	107
Actual	31							31

Indicator Description: The baseline and targets include all contributions from USAID/W and the field RUDO offices.

Note: Declining numbers reflect concern that declining resource levels of the UE program and related OE and technical assistance budgets are eroding G/ENV/UP's capacity to sustain levels of support provided in FY97.

For examples of FY97 accomplishments, please see the SSO2 narrative.

International Leadership Indicator Table

Result: Agency environmental objectives advanced in international forums through G/ENV international leadership

Indicator 4: Number of international policies, strategies, programs, and projects reflecting G/ENV leadership

Unit of Measure: Number of international policies, strategies, programs, and projects. May include international conventions, MDB and other donors, and USG initiatives

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	39	39	23	22	22	22	167
Actual	37							37

Indicator Description: The baseline and targets include all contributions from USAID/W and the field RUDO offices.

For examples of FY97 accomplishments, please see the SSO2 narrative.

III. Strategic Support Objective 3: Increased, Environmentally Sustainable Energy Production and Use

Part One: Overview and Factors Affecting Program Performance

A. Overview

Energy plays a critical role in sustainable development. To achieve and maintain social and economic progress — to develop sustainably — most developing countries must expand their energy supplies. Energy drives economic growth through its use in industry, but it is the often-overlooked energy services, such as lighting, heating, transport, and energy equipment and appliances, that sustain and enhance quality of life. Yet energy production can pose local, regional, and even global environmental threats. On a global scale, fossil fuel combustion, which accounts for 76 percent of the world's energy use, is the principal source of greenhouse gas (GHG) emissions. Rapid climate change induced by increasing concentrations of carbon dioxide and other GHGs arising from human activities presents a long-term threat to the global environment. The less-developed nations are the most vulnerable to these effects and the least equipped to handle them. Already, these countries are suffering from the immediate impacts of local pollution. For example, more than 1.2 billion people live in developing country cities with unacceptable levels of suspended particulate matter arising from the inefficient burning of fossil fuels.

Current energy production, consumption, and use patterns are clearly unsustainable. They threaten national economies, social well-being, and the global environment. Merely expanding existing energy supplies to meet present and future needs is not a viable option.

In order to help developing countries set a course that integrates environmental and economic sustainability into their energy development, G/ENV pursues Strategic Objective 3, "Increased, Environmentally Sustainable Energy Production and Use."

This year, G/ENV's SSO3 worked in more than 20 countries in Asia, Africa, and Latin America to build institutional capacity, to strengthen energy policy, and to implement pilot and demonstration projects. These programs led to concrete results, particularly in five key global climate change countries (Brazil, India, Indonesia, Mexico, and the Philippines) and in Central America, where energy is an important aspect of G/CAP's sustainable development strategy.

G/ENV supports SSO3 to address critical bottlenecks in the achievement of environmentally sustainable energy development, focusing primarily in USAID's key global climate change countries. To realize G/ENV's objective, in FY97 SSO3 pursued three high-level intermediate results:

- IR 3.1, "Increased Energy Efficiency"
- IR 3.2, "Increased Use of Renewable Energy Resources"
- IR 3.3, "Increased Production and Use of Cleaner Energy"

To promote those key enabling conditions required for environmentally sound energy growth, programs are aimed at establishing a favorable policy and regulatory climate, increasing the

availability of financing from public and private sector institutions, building capacity within host-country organizations, and transfering technologies to developing countries.

B. Factors Affecting Program Performance

Performance in FY97 was affected by three factors — two internal to USAID, the other related to G/ENV's energy sector development partners.

This year saw the launch of the Agency's Global Climate Change Initiative. Addressing global climate change is a U.S. foreign policy priority in which developing countries play a critical role. SSO3 represents USAID's core capacity to lead and support the U.S. government in addressing the energy aspect of the climate change challenge in developing countries. However, without staff dedicated solely to GCC, the staff of EET filled this role. As discussed in later sections, there were many successes related to this work. However, the diversion of staff hampered SSO3's ability to manage programmatic activities. This was compounded by a decrease in support staff and vacant staff positions.

SSO3 performance was also adversely affected by delays in contracting actions requested by the Energy Office. For example, IR 3.3 was without a contracting mechanism during FY97. Since most of the current primary contracts expired in FY97, the SSO3 team devoted significant effort to developing the new omnibus energy sector IQC, which will replace expiring contracts for technical assistance and training.

Finally, since host-country governments and multilateral development banks (MDBs) are beyond the manageable interest of SSO3, some expected achievements of FY97 objectives have been delayed. For example, while IR 3.1, “Energy Efficiency,” began to foster creation of an energy efficiency financing source for Brazil, completion of the task was held up by unexpected delays on the part of the Brazil government and Brazil financing institutions. While IR 3.1 should ultimately succeed in this effort, the time frame will be longer than foreseen. Activities under IR 3.2 also were affected as a result of slower-than-anticipated movement by the Government of South Africa in launching a renewable energy program.

Part Two: Progress Toward Objectives

A. Performance Analysis

During FY97, G/ENV/EET developed an indicator system to track results within manageable interest and that take account of the long lag times required to shift the energy sector toward greater economic and environmental sustainability. By tracking these indicators, SSO3 can extrapolate the impacts beyond immediate intervention in order to assess the adequacy of addressing the energy and environmental problems of the countries and people served. Ultimately, this will allow optimization of the use of the limited resources for this large and capital-intensive sector.

1. SSO3 Indicator 1: Greenhouse Gas Emissions Avoided

Greenhouse Gas Emissions Avoided provides an environmental indicator of SSO3's highest-level results once investments are expended and projects go online. SSO3 activities helped reduce carbon dioxide emissions by 436,000 tons, which met target levels of 435,000 tons. The term

"avoided" encompasses carbon dioxide emissions averted by improving the operations or efficiency of existing energy infrastructure and by supporting clean renewable energy that replaces the need for fossil fuel-powered systems. The amount of GHG avoided is expected to increase in the coming years as more energy programs come online and pilot programs are replicated.

2. SSO3 Indicator 2: Value of private and public investment leveraged by G/ENV

Value of Public and Private Sector Financing Leveraged by G/ENV is critical for assessing whether SSO3 can help countries attract adequate financing for environmentally sound energy to ensure the continuation and replication of our programs and the implementation of policy and institutional reforms. G/ENV leveraged $496 million, which overwhelmingly exceeded targets of $385 million. Targets were exceeded due to results in IR 3.3, which realized replication of previous programs, despite the lack of a contractual vehicle. G/ENV's success in mobilizing investments and engaging partner participation, especially the private sector, reflects solid performance this year for a priority area. Strong private sector collaboration bodes well for the sustainability of G/ENV's programs, since the provision of energy is a highly commercial activity. Only private capital markets can command the financial resources needed to increase world energy supply to meet growing demand, and only the incentives that drive private sector profitability can help ensure efficiency.

3. SSO3 Indicator 3: Number of public policies adopted and implemented to promote environmentally sound energy production and use

Number of Policies Adopted and Implemented to Promote Environmentally Sound Energy Production and Use permits SSO3 to gauge performance in supporting essential institutional and regulatory frameworks required to achieve improvements in the energy sector. SSO3 also exceeded the target of seven in this area, achieving 23 polices adopted or implemented. This indicator will be developed further in FY98 by incorporating a policy "index," which tracks more of the successes along the path to policy adoption.

Also in FY97, four indicators were added to the results framework in order to assess the "value-added" of the G/ENV offices — the contributions to the Global Bureau's core missions of technical leadership and support. Data was collected from FY96 to facilitate target setting and performance analysis.

4. SSO3 Value-Added Indicator 1: G/ENV field-based assistance (TDYs) provided in response to Mission/Bureau requests

SSO3 responded to requests from 21 Missions and RUDOs for technical assistance and training in Asia and the Near East (ANE), Central and Eastern Europe and the Newly Independent States (ENI), and LAC, and provided 464 person-days. Please see the indicator table for details.

The energy team provided substantial technical and management assistance to development partners and Missions, which often lacked personnel of their own dedicated to energy and global climate change. In Brazil, G/CAP, India, and Mexico, where Mission capability in energy and global climate change is limited, G/ENV played a major role in designing and managing the Agency's energy portfolio. The Center also jointly implemented, with Missions and Regional

Bureaus, the Global Climate Change Initiative, the Asia Sustainable Energy Initiative, and the energy component of the Environmental Initiative for the Americas.

5. SSO3 Value-Added Indicator 2: Mission buy-ins, add-ons, OYB transfers, IQC task orders, managed orgs

As another measure of the support to the field Missions, SSO3 provided access to contractual vehicles for six Missions in the amount of $6.05 million. This result was reached in spite of the end of each of the major core contracts. The EPIQ contract contributed significantly to the results, comprising $3.69 million.

6. SSO Value-Added Indicator 3: Number of USAID policies, strategies, and programs reflecting G/ENV leadership

SSO3 seeks to influence USAID environmental policy in the areas of sustainable energy and climate change at the Agency and Mission levels. In FY97, nine USAID policies, strategies, and programs reflected SSO3's intervention. The highlight of G/ENV's SSO3 Agency leadership was marshaling the Agency's resources for GCC. SSO3 helped make USAID a player in foreign policy formulation, made USAID a full partner in the inter-agency policy discussion, and brought USAID programs to the White House. This climate change activity also took the issue into the mainstream and united the Agency behind this goal. SSO3 also worked with the Brazil, Mexico, India, Philippines, Central American, and Nepal Missions to design sustainable energy programs.

7. SSO Value-Added Indicator 4: Number of international policies, strategies, programs, and projects influenced by G/ENV leadership

SSO3 also helped fulfill U.S. foreign policy objectives and commitments in two key areas, advancing six programs. The highlight of G/ENV's SSO3 international leadership was in helping shape the U.S. government's position on global climate change. This involved support in preparation for Kyoto and in articulating options to “meaningfully” engage developing countries in the United Nations Framework Convention on Climate Change (UNFCCC). The other international leadership areas were in catalyzing sustainable energy investments by MDBs. These interventions included catalyzing energy efficiency and renewable energy loans by the World Bank in Brazil and Kaliningrad, Russia; leveraging a loan mechanism for sustainable energy project at the Inter-American Development Bank (IDB); and leveraging of a $10 million fund by the Multilateral Investment Fund (MIF) for sustainable energy and environmental projects in Central America.

B. Expected Progress (FYs 1998–2000) and Management Actions at the SSO level

Moving forward with SSO3 requires working closely with Missions and U.S. and host-country partners, which include national, state, and local governments; businesses; NGOs; and utilities. Among these partners, the private sector plays a central role in SSO3's strategy. G/ENV will continue to work with host governments to remove legislative, regulatory, and tariff barriers to environmentally sustainable technology deployment; to create partnerships among a variety of host-country institutions and businesses and U.S. counterparts; and to develop the capacity with host-country institutions to understand the economic, environmental, and health benefits of sustainable energy and environmental technologies.

Contracting vehicles for G/ENV-funded results packages must be fully operational. The smoothness of the transition and the quality of the support G/ENV receives from the Contracts Office in getting both the Energy IQC and the Energy Training IQC Task Orders developed will have an enormous impact on results for FY98. This also includes processing, within a reasonable amount of time, of Mission-funded activities, such as task orders to the energy IQC. SSO3 staffing will also need to be increased to at least FY96 levels, and additional staffing for global climate change functions must be made available.

One factor that may impede SSO3's success in the near future is the economic crisis currently under way in Asia. The World Bank is reassessing several of its sustainable energy projects in the region, and at least one USAID Mission is pulling back from energy activities. Whether or not the crisis will directly affect our program activities remains to be seen.

SSO3: Increased, Environmentally Sustainable Energy Production and Use		
Summary Table Performance Assessment		
Overall Performance Rating	Individual Indicator Ratings	
Programs: Exceeded		
Value-Added: Met		
* FY97 is the baseline year.		

Summary Table IR Performance Assessment			
Intermediate Result	Overall Performance Rating	Individual Indicator Ratings	
Increased Energy Efficiency	Met	IR 3.1 Indicator 1	fell short
		IR 3.1.1 Indicator 1	met
		IR 3.1.2 Indicator 1	exceeded
		IR 3.1.3 Indicator 1	met
		IR 3.1.4 Indicator 1	exceeded
Increased Use of Renewable Energy	Exceeded	IR 3.2 Indicator 1	met
		IR 3.2 Indicator 2	exceeded
		IR 3.2.1 Indicator 1	exceeded
		IR 3.2.2 Indicator 1	exceeded
		IR 3.2.3 Indicator 1	met
		IR 3.2.4 Indicator 1	met
Increased Production and Use of Cleaner Energy	Met	IR 3.3 Indicator 1	met
		IR 3.3 Indicator 2	**
		IR 3.3 Indicator 3	**
		IR 3.3.1 Indicator 1	met
		IR 3.3.2 Indicator 1	**
		IR 3.3.3 Indicator 1	met
		IR 3.3.3 Indicator 2	met
		IR 3.3.4 Indicator 1	met
**n/a			

Result SSO3: Increased, Environmentally Sustainable Energy Production and Use

Indicator 1: Greenhouse gas emissions avoided

Unit of Measure: Million tons of CO_2 equivalent (CTE)/year annual cumulative emissions averted

Source: Private sector sources, IQC, host-country industries, and utilities

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	0.4347	0.4712	0.5108	0.5537	0.6002	0.6506	0.7053	3.9264
Actual	0.401	0.436							

Indicator Description:

GHG emissions avoided is based on assumption that G/ENV and partner support for the generation of environmentally sustainable energy and for improved energy efficiencies will displace the need to use such fossil fuels as oil or coal. This indicator aggregates emissions averted annually by projects that came on-line in previous years with emissions averted from projects expected to come on-line in the targeted year. Factors for determining emissions avoided for individual projects are dependent on the application of that project and the type of fossil fuel displaced.

This indicator aggregates those avoided emissions based on three levels of results and impacts:

Level I Actual results achieved for activities directly funded by G/ENV
Level II Actual results achieved for activities partially funded by G/ENV, or for activities in which G/ENV contributed to development of policies, regulations, or project pre-investment
Level III Actual results achieved for activities replicated as a result of, but not directly supported by, G/ENV activities

Comments:

This indicator's targets were changed significantly due to a correction of the baseline data. Apparently a submission from a cooperator that was intended to be illustrative (for calculating carbon savings from MW) was used as a FY96 results figure. Since this was not the case, it has been revised. Notice that the percent increase per year has not changed, simply the magnitude of the baseline upon which targets were calculated has been adjusted.

FY97 results include 39,238 tons from energy efficiency improvements, 359,333 tons from deployment of renewable energy sources, and 2,350 tons from cleaner energy technologies.

Result SSO3: Increased, Environmentally Sustainable Energy Production and Use

Indicator 2: Value of private and public investment leveraged by G/ENV

Unit of Measure: U.S. dollars (millions)

Source: IQC, collaborators, industry, cooperators, and stakeholders

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	385	165	195	220	250	275	305	1795
Actual	114.6	496							

Indicator Description:

Mobilizing investments and engaging partner participation in environmentally sound energy production and use are priorities for SSO3. Accordingly, this indicator monitors obligations and commitments made to environmentally sustainable energy in association with G/ENV activities at three levels:

Level I USAID Mission and Bureau funding obligated in conjunction with G/ENV activities
Level II a. External funding leveraged from partners for joint G/ENV activities
b. Funding for activities in which G/ENV developed policies, regulations, or project pre-investment (prorated)
c. Obligated or committed funding for MDB loan programs (prorated)
d. Financial closure for private-sector funded programs (prorated)
Level III Funding generated to replicate G/ENV-pioneered programs (new obligations, commitments or financial closure)

Comments:

FY97 includes $9.9 million from IR 3.1; $386 million from IR 3.2; and $100 million from IR 3.3. Targets were exceeded due to results in IR 3.3, which realized replication of previous programs, despite the lack of a contractual vehicle.

Due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised.

Result SSO3: Increased, Environmentally Sustainable Energy Production and Use

Indicator 3: Number of public policies adopted and implemented to promote environmentally sound energy production and use

Unit of Measure: Number of policies

Source: Private sector sources, IQC, host-country industries, and utilities

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	7	8	9	9	9	9	9	65
Actual	5	23							

Indicator Description:

Indicator tracks the full spectrum of national, state, and local policy reforms in which G/ENV assistance plays an instrumental role in developing and implementing. G/ENV will track when policies are formally adopted by governmental bodies, and when policies are implemented. Results to be monitored from policy reforms may include tax restructuring, reductions of fossil fuel subsidies, private power purchase agreements, passage, and enactment of energy codes and standards.

Comments:

FY97 results include 5 policies from IR 3.1, 17 policies from IR 3.2, and 1 from IR 3.3.

Due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised.

Result SSO3: G/ENV Technical Assistance Utilized by Missions

Indicator 1: G/ENV field-based assistance (TDYs) provided in response to Mission/Bureau requests

Unit of Measure: (a) Number of Missions, (b) person-days

Source:

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	(a) 20 (b) 440	(a) 20 (b) 440	(a) 20 (b) 440	(a) 20 (b) 440	(a) 20 (b) 440	(a) 20 (b) 440	(a) 140 (b) 3080
Actual	(a) 21 (b) 464							

Indicator Description:

This indicator measures the number of Missions that authorized G/ENV TDYs for SSO3 activities or Mission-funded energy or climate change activities. Person Days consists of days on TDY by USAID personnel (Direct Hires, RSSA, and AAAS) only.

Comments:

SSO3 FY97 indicators include TDYs to Brazil, Ecuador, Ghana, Hungary, Mexico, Panama, Philippines, Dominican Republic, Egypt, Kazakstan, Poland, India, Indonesia, South Africa, Bolivia, Peru, Ukraine, Russia, Guatemala, Nepal, and Botswana.

Result SSO3: G/ENV Contracting Vehicles Utilized by Missions

Indicator 2: Mission buy-ins, add-ons, OYB transfers, IQC task orders, managed orgs

Unit of Measure: (a) Number of Missions, (b) dollar value in millions

Source:

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	**Baseline**	(a) 9 (b) 5.01	(a) 9 (b) 5.01	(a) 9 (b) 5.01	(a) 9 (b) 5.01	(a) 9 (b) 5.01	(a) 9 (b) 5.01	(a) 63 (b) 35.07
Actual	(a) 6 (b) $6.03							

Indicator Description:

The indicators are the number of Missions using the contract vehicles, and the total dollar value.

Comments:

FY97 includes Mission buy-ins from India, Indonesia, Philippines, Central America, and the LAC Regional. Under the EPIQ contract, India and Russia were added.

Result SSO3: Agency Environmental Objectives Advanced within USAID through G/ENV Technical Leadership and Field Support

Indicator 3: Number of USAID policies, strategies, and programs reflecting G/ENV leadership

Unit of Measure: Number of USAID policies, strategies, and programs

Source:

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	6	6	6	6	7	7	44
Actual	9							

Indicator Description:

SSO3 seeks to influence USAID environmental policy (sustainable energy and global climate change) at the Agency and Mission levels.

Comments:

In FY97, nine USAID policies, strategies, and programs reflected SSO3's intervention. The highlight of G/ENV's SSO3 Agency leadership was marshaling the Agency's resources for GCC. SSO3 developed the agency's Developing Country Climate Change Initiative (DC3I), helped to make USAID a player in foreign policy formulation, made USAID a full partner in the inter-agency policy discussion, and brought USAID programs to the White House. This climate change activity also took the issue into the mainstream and united the Agency behind this goal. SSO3 also worked with the Brazil, Mexico, India, Philippines, Central American, and Nepal Missions to design sustainable energy programs.

Result SSO3: Agency Environmental Objectives Advanced in International Forums through G/ENV International Leadership

Indicator 4: Number of international policies, strategies, programs, and projects influenced by G/ENV leadership.

Unit of Measure: Number of international strategies, programs, and projects. (May include international conventions, MDB, and other donors, USG initiatives)

Source:

Year	1997	1998	1999	2000	2001	2002	2003	Total
Target	**Baseline**	4	4	4	4	5	5	29
Actual	**6**							

Indicator Description:

Number of international policies, strategies, programs, and projects influenced by G/ENV leadership. This may include international conventions, MDB and other donors, or USG initiatives.

Comments:

The focal areas of G/ENV's SSO3 international leadership are in shaping the U.S. government's position on international climate change issues and catalyzing additional sustainable energy investments by multilateral development banks.

The highlight of G/ENV's SSO3 international leadership was in helping to shape the U.S. government's position on global climate change. This involved support in preparation for Kyoto, and in articulating options to “meaningfully” engage developing countries in the United Nations Framework Convention on Climate Change (UNFCCC).

SSO3's FY97 interventions include catalyzing energy efficiency and renewable energy loans by the World Bank in Brazil and in Kaliningrad, Russia, leveraging a loan mechanism for sustainable energy projects at the Inter-American Development Bank (IDB), and the leveraging of a $10 million fund by the Multilateral Investment Fund (MIF) for sustainable energy and environmental projects in Central America.

IV. G/ENV and Global Climate Change

A. Introduction and Background

For many years, USAID has implemented environmental programs that, though designed to address other environmental objectives (e.g., energy efficiency, forestry, and biodiversity conservation), have had a direct impact on GHG emissions. USAID also has supported efforts that implicitly help decrease the threat climate change poses by reducing population growth, promoting economic development, and improving human health and nutrition.

In 1990, when the Agency published its report, *Greenhouse Gas Emissions in Developing Countries: The USAID Response*, USAID began explicitly to address the threat of climate change. Since then, the Agency has actively managed a portfolio of climate change-related programs focused on decreasing emissions from the energy sector and increasing carbon sequestration in forests. USAID progress in this regard was documented in a 1994 report to Congress, *Global Climate Change: The USAID Response*, which outlined the portfolio of climate change-related programs and reviewed the Agency strategy. In 1995, as part of its efforts to systematically address global climate change, USAID introduced a series of regional climate change initiatives totaling more than $70 million.

In June 1997, President Clinton announced that the U.S. would provide at least $1 billion over the next five years to assist developing nations and countries in transition to reduce the threat of climate change. That announcement signaled a renewed USG commitment to facilitate technology transfer and collaborate with developing and transition countries to achieve the goals of the United Nations Framework Convention on Climate Change (UNFCCC). USAID, after considerable inter- and intra-agency consultations, produced *USAID's Climate Change Initiative*, which will serve to guide future Agency policies and programs in the climate change area.

B. FY97 Global Climate Change Activities

In FY97, USAID demonstrated domestic and international leadership on climate change issues through participation in national and international forums on climate change; U.S. government strategic planning and policy development; continued technical and financial support for USAID activities and inter-agency climate change programs, such as the U.S. Country Studies Program; and development of the Agency's *Climate Change Initiative* and action plan for implementing the President's global commitment to developing and transition countries.

1. National and International Forums on Climate Change Policy and Strategic Planning

G/ENV staff made significant contributions to international climate change policy by representing the Agency at a multitude of climate change forums and inter-agency activities and by drafting and reviewing draft policy documents for the White House and U.S. inter-agency groups. In FY97, G/ENV staff:

- contributed to White House and State Department climate change policy by reviewing documents and coordinating Agency comments;
- influenced international policy by representing USAID on U.S. Government delegations to the UNFCCC intercessional negotiations;

- participated in U.S. interagency climate change policy through participation in the Assistant Secretaries Strategy and Policy Group, internal State Department briefings, the Intergovernmental Working Group on Climate Change, the DOE Baselines Group, the Meaningful Participation Task Force, the Secretariat of the U.S. Initiative on Joint Implementation, and the Multilateral Climate Change Task Force; and
- initiated and developed a white paper and strategic plan on climate change and developing countries and provided support materials to President Clinton for the June UN General Assembly Special Session and the October White House Conference on Climate Change.

2. USAID Activities and Inter-Agency Climate Change Programs

G/ENV provided vital technical leadership for USAID's climate change activities and related programs, existing Agency-wide climate change initiatives, and the inter-agency U.S. Country Studies/U.S. Initiative on Joint Implementation Programs. Technical support was provided for activities that reduce GHG emissions, conserve carbon sinks in the forestry and land use sector, assist developing countries in undertaking binding commitments under the UNFCCC, and reduce the vulnerability of nations to the effects of climate change.

USAID Activities

Climate Change Support for Field Missions. In FY97, G/ENV raised awareness and understanding of climate change issues in USAID Field Missions by intensifying its efforts to keep field staff abreast of current information on climate change through regular exchange of e-mails under the GCC list-serve. For example, G/ENV distributed a GCC primer under a letter from the Center Director, urging Mission participation in local and regional climate meetings. In addition, the Center provided relevant technical informational and international news related to the climate negotiations in Kyoto, interagency processes, Joint Implementation, and the U.S. Country Studies Program.

G/ENV Programs. Many of the Center's biodiversity, forestry, and energy programs contribute to reductions in GHG emissions or mitigation of the effects of climate change. For example, in FY97, more than 130 million metric tons of carbon were sequestered through USAID-funded biodiversity activities under the Biodiversity Support Program, and carbon monitoring activities, undertaken with USAID support in Belize and Bolivia, have helped the programs attract more than $13 million in private sector investments from utilities and others looking at possibilities for emissions trading in the future.

Climate Change Initiatives. In cooperation with Missions and regional offices, G/ENV/EET staff played an integral role in managing activities under the following two-year FY95 initiatives:

- *Asia Sustainable Energy Initiative.* An $8.5 million initiative focused in India, Indonesia, and Philippines to foster the development and implementation of energy production and distribution strategies that reduce GHG emissions and support economic growth while minimizing economic and environmental costs. A Sustainable Energy Advisor was assigned to each Mission to promote a wide range of energy efficiency and renewable energy projects, such as Utility Partnerships and Implementation Grants.

- *Environmental Initiative for the Americas (EIA) — Global Climate Change and Sustainable Energy Production and Use.* A $9.7 million initiative to link sustainable energy production and use, with the growth of Latin American economies, the demand for energy services of rapidly growing urban populations, the need to reduce the poverty of marginalized rural and indigenous peoples, and the need to reduce GHG emissions from fossil fuel use and unsus tainable wood burning. EIA focuses on energy efficiency and renewable energy, primarily in Brazil and Mexico, to address the region's sustainable energy and GHG abatement needs.
- *Global Climate Change Initiative (GCCI).* An $8.5 million initiative to provide support for activities designed to address the technical constraints associated with the mitigation of, and adaptation to, climate change, including support for national climate change action planning in key countries; parallel funding for interagency climate change programs under the U.S. Country Studies and U.S. Initiative on Joint Implementation Programs; demonstration projects for GHG mitigation; activities to enhance existing and create new carbon sinks; and outreach, education, and institutional capacity building programs.

Inter-Agency Activities

U.S. Country Studies Program. G/ENV staff coordinated the Agency's co-sponsorship of, and participation in, this inter-agency program to support climate change studies, plans, and technology assessments, by providing funding and technical assistance for climate change activities in developing and transitional countries. Representative G/ENV-managed activities include support to developing and transitional countries for development of their national climate change action plans in Indonesia and Kazakstan and a program to promote the use of integrated forest monitoring systems for national GHG inventories and studies under the programs.

U.S. Initiative on Joint Implementation (USIJI). G/ENV staff provided oversight and management assistance to this inter-agency program, through participation on the USIJI Secretariat and technical review committees. In cooperation with other U.S. agencies, USAID funds conferences, workshops, technical assistance, travel support, project reviews, and budget and program development. Specifically, G/ENV provided technical assistance and training on USIJI/AIJ program models and methodologies to develop scientifically sound land use projects under the pilot program. Workshops were successfully held in El Salvador, Guatemala, and Bolivia, with support from USIJI and engagement by USAID Mission and G/ENV staff. As part of its support to USIJI in FY97, G/ENV coordinated the technical review of energy, forestry, and biomass proposals by USAID Mission staff in Mexico, Bolivia, Guatemala, Honduras, Panama, Sri Lanka, the Philippines, Indonesia, Russia, and the Czech Republic, to provide USIJI with valuable on-the-ground coordination and assessment.

3. Development of the Agency's Climate Change Initiative and Action Plan

In June 1997, President Clinton announced a $1 billion U.S. commitment to collaborate with developing nations and countries in transition to reduce the threat of climate change, which included a minimum of $750 million in grant assistance over five years, and up to $250 million leveraged through loans and loan guarantees provided by USAID's DCA. Consequently, G/ENV coordinated the drafting of the Agency's action plan for implementing the President's commitment to developing and transition countries in the Agency's *Climate Change Initiative*. The *Initiative*

outlines the climate change challenges that developing and transitional countries face and charts an Agency approach to redress these problems.

In addition to coordinating the drafting of Agency's *Climate Change Initiative*, G/ENV staff:

- briefed the Administrator on management, budget, and policy components of the Initiative, which included the preparation of briefing papers, talking points, congressional testimony, and interagency and NGO outreach;
- led development of an USAID climate change team, which began to develop a performance monitoring plan, indicators, coding schemes, and data collection forms for Agency-wide reporting on the *Initiative*;
- staffed senior agency officials at interagency meetings on the *Initiative*; and
- drafted agendas and organized and chaired weekly meetings of the Team.

C. Expected Progress through FY00

In early FY98, G/ENV mobilized significant staff resources to help develop the action plan for the Agency's five-year *Climate Change Initiative*. Significant staffing requirements are expected to continue as the *Initiative* is implemented. Performance monitoring for the Agency's climate change objective, with indicators, baseline data, and targets, will be instituted and reported on by the end of FY98. A performance monitoring plan (PMP) and results framework for G/ENV's management of the Initiative will be developed and included in the Center's R4 submission beginning in FY98.

Administration of the *Initiative* will entail:

- providing support to Field Missions to implement climate change activities and report on these activities at the Agency level;
- assisting USAID operating units in developing DCA-funded activities;
- coordinating with other donors and agencies;
- monitoring and verification of results;
- budget management and coding assistance;
- strategic guidance;
- designing and undertaking new activities and workshops, especially those addressing economic growth and climate change; and
- defining jobs and hiring supplemental climate change staff.

Climate change activities will continue and likely expand under existing G/ENV energy, forestry, biodiversity, and urban programs; other climate change-related initiatives; and the U.S. Country Studies and USIJI programs.

In addition, G/ENV will continue to play a significant role in national and international climate change forums, especially preparing for and participating in UNFCCC Climate Change negotiations in Bonn in June and Buenos Aires in November 1998; international meetings on financial mechanisms, such as emissions trading and the Clean Development Mechanism (CDM);

and through inter-agency working group meetings and briefings on carbon sinks, baselines, meaningful participation, Joint Implementation, and other related topics.

V. Status of Management Contract

The Center's contract with the Global Bureau provisionally approved all three Center Strategic Objectives on May 3, 1996. This year, the Center requested and was granted permission to change the wording of the three SSOs to more accurately reflect the nature and scope of their activities.

G/ENV has been given the lead for tracking the implementation and results monitoring of activities under USAID's Climate Change Initiative (CCI). To do this, an Agency-wide team has developed indicators designed to capture the impact of climate change-related programs supported by USAID. Pending approval, results captured through this effort will be reported under the Agency Objective for climate change (5.1). In addition, the Center will add a new support objective in FY98, to track G/ENV's management of the Agency's CCI.

The Office of Environment and Natural Resources will launch a new intermediate results package team primarily related to activities of the RAISE (Rural and Agricultural Incomes with a Sustainable Environment) program. RAISE will be jointly managed with the Office of Agriculture and Food Security, Center for Economic Growth and Agricultural Development. The Intermediate Result (IR 1.5) is stated as “Sustainable Management of Natural Resources in Agricultural Production Systems.”

Indicators: Performance monitoring plans are in place for all SSOs, with established indicators and performance data tables.

Reg 216: Section VI of this R4 addresses the Environmental Compliance requirements of the Center.

VI. Environmental Review Compliance

USAID's environmental review procedures are mandated by statute, Federal Regulation, and Executive Order. Environmental review procedures, according to USAID policy, are basic to the design of any program, activity, or amendment, and, when needed, require appropriate mitigative measures or activity redesign to ensure environmental stability. USAID follows environmental procedures as outlined in 22 CFR Part 216, dated October 9, 1980.

Responsibilities for meeting the requirements and objectives of the Agency's environmental procedures are similar to those for other USAID Bureaus in that Operating Unit Directors and/or designated representatives must clear and sign Initial Environmental Examinations (IEEs) and, if necessary, Scoping Statements, Environmental Assessments (EAs), and Environmental Impact Statements (EISs). Furthermore, each Strategic Objective Team is responsible for compliance with all requirements of 22 CFR 216 as a fundamental element in its approaches and internal procedures for achieving its strategic objective. Results Package Teams, which often have the primary responsibility for activity compliance, must (1) ensure that adequate time is allowed during the design process to conduct all environmental studies/evaluations required under 22 CFR 216, (2) allow for public participation and comment, (3) provide each document to the Bureau Environmental Officer (EO) for review and clearance, and (4) allow for incorporation of final decisions into final designs. Finally, each program, activity, or amendment must be monitored and evaluated for compliance with 22 CFR 216.

SSO1

Each of the IR teams has an approved Initial Environmental Assessment, which describes planned activities, identifies expected environmental impacts, and, as appropriate, outlines actions to monitor and mitigate potential negative environmental impacts. The Global Bureau EO approved a negative determination per 22 CFR 216.3(a)(2)(iii) for each of the four IR teams under this SSO.

SSO2

G/ENV/UP initiated a proactive review of the UE program's compliance with the Agency's Environmental Procedures (22 CFR 216). The purpose of this exercise was to verify that conditions set in IEEs for selected programs are being met. This review process was not a requirement of the IEEs, but instead was initiated to confirm SSO2's commitment to integrate environmental procedures into its UE activities. Reviews were conducted for Tunisia, Morocco, India, and the Czech Republic. For each country review, the Global Bureau EO certified that the programs are in compliance with the Agency's environmental procedures. During 1998, G/ENV/UP will continue this review process for the UE program and for each IR. The SSO2 Team's proposed schedule of new activities for FY99 includes programs for GCC, EMS, and the DCA. The SSO Team will collaborate with the Global Bureau EO to determine which activities require an IEE and which are eligible for Categorical Exclusion to ensure full compliance with Regulation 216.

SSO3

The SSO3 Team has requested and was granted categorical exclusions for wind energy research and assessment in Mongolia and energy market assessment and pre-studies in Indonesia; another exemption request has been submitted for electric vehicle promotion activity in India. The SSO3 Team is currently working with the EO to evaluate all programs, activities, and amendments on a case-by-case basis because of the diverse nature of activities under each intermediate results package. During FY98, the Team will begin preparing more comprehensive IR-level IEEs.

Annex A

Strategic Support Objective 1

SSO1 Org Chart

Annex A
IR Progress Toward Objectives

A. IR 1.1: Effective Biodiversity Conservation and Management

1. Performance Analysis

The G/ENV biodiversity program met or exceeded all of its SSO level targets. The area under *effective* management climbed to 678,426 hectares, 8 percent over the target. Area under *improved* management, where progress has been made but where biophysical impacts have not yet occurred, grew to 10,500,000 hectares, approximately 2 percent over our target. In addition, the number of documented improvements in conservation reached 33 this year, more than twice the target of 16. The most important results of the program are described briefly below in terms of habitat management and policy change.

Effectively Managing Critical Habitat

G/ENV has promoted the *improved* conservation of biological diversity in 10.5 million hectares of tropical forests, mangroves, coral reefs, grasslands, and other biologically important habitat in more than 30 countries. In FY97, the program helped develop management plans for 106 key biodiversity sites, begin implementation of these plans at 49 sites, strengthen the institutional capacity at 74 sites, and initiate ongoing monitoring at 70 sites. As a result, more than 678,000 hectares of this habitat is now effectively managed. [To meet our definition of *effective* management, two key conditions must be met: (1) habitat quality is maintained/improved and/or the rate of habitat degradation is significantly reduced; and (2) institutions demonstrate an ability to monitor and respond to both threats and opportunities (adaptive management)]. Specific examples for FY97 include the following.

- *Arnavon Island Marine Reserve, Solomon Islands* (83,000 ha). This year, biological surveys have demonstrated that populations of key marine species are now on the increase in an area where fish populations had been decimated. With G/ENV support, three communities in the Arnavon Islands area of the Solomon Islands created a management committee of democratically elected representatives. After developing a management plan, the committee created a marine reserve with controlled access and banned harvesting of the most-threatened species for three years. Fish populations are on the increase as 4,000 community members actively carry out the plan.
- *Arfak Mountains Nature Reserve, Irian Jaya, Indonesia* (100,000 ha). The Arfak Mountains Nature Reserve in Indonesia is home to more than 110 species of mammals and 320 species of birds. With USAID support, a community-based butterfly farming business generated more than $75,000 of sales in 1997. This enterprise has provided the communities with sufficient incentive to counter threats to the area's biodiversity. By monitoring the health of the forest ecosystem and stopping the illegal harvesting of Birdwing butterflies by outsiders, these communities now effectively manage more than 100,000 ha of the Arfak Mountains Nature Reserve and surrounding buffer zones.

Strengthened Policies That Conserve Biodiversity

In FY97, G/ENV programs helped governments and local communities in 41 countries improve and implement policies related to biodiversity conservation. The programs have completed 118 policy analyses, which have led to the adoption of improved policies in 54 cases. In 55 cases, G/ENV programs have led to significant improvements in the implementation of existing policies to improve biodiversity conservation. Although improving the policy environment for biodiversity conservation is a long-term process, in at least 16 cases we have documented improvements in on-the-ground conservation resulting from our support. Highlights for FY97 include the following.

- *El Carricito Huichol, Mexico*. Old growth pine forest is one of Mexico's most-endangered ecosystems. Support to a Mexican NGO facilitated a successful campaign against planned logging in El Carricito Huichol, the largest remaining block of old growth pine forest and one of three priority area for conservation in the Sierra Madre Occidental. By preventing the issuance of logging permits, 15,000 ha of old growth pine and its endemic flora and fauna were protected.

Progress generally met or exceeded targets for our lower-level intermediate results. For increased public awareness of biodiversity conservation, in FY97, more than 84,474 individuals participated in G/ENV biodiversity outreach activities and 314 publications were printed and distributed to 104,000 people. Regarding increased capacity of local managers of significant biodiversity sites, 10,433 people were successfully trained as an integral part of improving the management of important habitat for biodiversity, and exit surveys indicate that the training was useful. Another lower-level intermediate result is “sustained financing of biodiversity conservation through innovative public and private sector funding.” One promising approach is to create community-based enterprises that sustainably use biological resources to improve people's livelihoods and to provide incentives for biodiversity conservation. By FY97, G/ENV supported 23 viable enterprises that directly benefited 6,977 people. All of these values met or exceeded targets with the exception of the enterprise work. Indicators for this work fell short of targets as a result of a more rigorous examination of the reporting from several large sites to ensure that the area reported was the area truly affected by project activities. Thus, while progress continued, some targets based on entire areas of the large sites proved overly ambitious.

Strengthening partnerships among local communities, NGOs, local government agencies, and other stakeholders concerned with the conservation of biological diversity is a critical aspect of the program. For example, community-based mapping and advocacy work by a local NGO among government officials and forest industry interests helped the Bentian Dayak community of East Kalimantan successfully protect their biologically diverse traditional forest gardens from conversion to an industrial timber plantation.

Recent implementation of guidance from the Office of Management and Budget and USAID's Office of Procurement limits the flexibility of cooperative agreements to meet Mission and Bureau technical assistance needs. Accordingly, G/ENV plans to develop a new IQC and several more-focused cooperative agreements that expand the programs of key conservation organizations.

There are some areas where the Team needs to improve its effectiveness in the field. Some programs lack a strong in-country management presence, which has limited the responsiveness and effectiveness of certain conservation initiatives, such as the Partnership for Biodiversity (Department of the Interior and Peace Corps). The Partnership is currently developing closer relationships with local NGOs and organizations to address this weakness. In addition, the Team is shifting the orientation of the Partnership to focus on responding to conservation needs of Missions and Bureaus. Efforts are also under way to promote more active participation of Peace Corps volunteers.

With the Performance Monitoring Plan now well in place, a major challenge in FY97 has been systematizing the collection of data for performance indicators and the supporting documentation needed. SSO1's largest partner, the Biodiversity Support Program, has developed a sophisticated database that improves the efficiency and accuracy of data collection for its programs worldwide. The current challenge is to adequately document the results captured in the indicators, particularly at the SSO level. To this end, data standards have been developed for the highest indicator, the "area under *effective* management."

2. Expected Progress through FY00

In FY98, G/ENV will promote the improved conservation of biological diversity in more than 10 million hectares of tropical forests, mangroves, coral reefs, grasslands, and other biologically important habitat in at least 33 countries. The program will help develop management plans for 22 key biodiversity sites, initiate institutional strengthening at 29 sites, begin implementation of these plans at 13 sites, and begin ongoing monitoring and evaluation at 34 sites. As a result, an additional 110,000 hectares of biologically important habitat will be effectively managed in 20 sites, bringing the total to 800,000 hectares.

G/ENV programs will also help governments and local communities in at least 22 countries improve and implement policies related to biodiversity conservation. Much of this work focuses on developing appropriate policies for resource extraction in a manner consistent with, or creating incentives for, the conservation of biodiversity. In FY98, the Team will complete 37 policy analyses and 25 separate communication and educational initiatives to promote policy change. The expected result is that improved policies will be adopted in 38 cases and improved policy implementation will occur in 26 cases. In 10 cases, the Team expects to document improvements in biodiversity conservation as a result of these changes.

Over the next three years, the Biodiversity Team plans to restructure its portfolio to establish an indefinite quantity contract mechanism to meet technical assistance needs of Bureaus and Missions in biodiversity conservation, and to develop new partnerships with conservation organizations to expand their programs in biodiversity conservation consistent with the Team's strategic objectives. This decision was based on extensive consultations with and feedback from Missions and Bureaus, as well as a mid-term evaluation and strategic assessment of the Biodiversity Support Program (BSP). USAID's review of BSP progress determined that this 10-year program has largely achieved its initial objective of strengthening USAID's policies and practices in biodiversity conservation. There is presently a strong demand for constructive partnerships in the field to carry out conservation programs. Accordingly, the Team plans to

extend the present Agreement from September 30, 1998 to December 31, 2001 in order to complete ongoing activities and strengthen the biodiversity portfolio.

In terms of the lower-level intermediate result indicators, the Team expects significant progress as well. In FY98, 35,000 people will participate in G/ENV biodiversity outreach activities and 200 publications will be printed and distributed to 100,000 people, all of which will increase public awareness of biodiversity conservation. A total of 3,000 people will be trained to increase the capacity of local managers of significant biodiversity sites. To sustain financing of biodiversity conservation, G/ENV will have helped establish 30 viable enterprises that directly benefit 7,200 people.

3. Performance Data Tables

G/ENV/ENR Biodiversity Program				
IR 1.1:	**Effective biodiversity conservation and management**			
Indicator 1:	Area of biologically important habitat under *effective* management	FY	Planned (ha)	Actual (ha)
Unit:	Hectares (ha)	1996	Baseline	463,010
Source:	Field visits and evaluations	1997	630,000	678,426
Comments: Two key conditions must be met for areas to be considered under "effective" management: (1) habitat quality is maintained/improved and/or the rate of habitat degradation is reduced; and (2) demonstrated institutional ability to monitor and respond to threats and opportunities (adaptive management).		1998	800,000	
		1999	900,000	
Results **are** cumulative.		2000	1,000,000	

G/ENV/ENR Biodiversity Program				
IR 1.1:	**Effective biodiversity conservation and management**			
Indicator 2:	Area of biologically important habitat under *improved* management	FY	Planned (ha)	Actual (ha)
Unit:	Hectares (ha)	1996	Baseline	10,000,000
Source:	Field visits and evaluations	1997	10,300,000	10,500,000
Comments: Biologically important habitat is considered under *improved* management when any one of the following occurs: a change in legal status favors conservation, a local site assessment is completed, management actions are designed with appropriate participation, human and institutional capacity is developed, management actions are implemented, ongoing monitoring and evaluation is established, or adaptive management is demonstrated.		1998	11,000,000	
		1999	12,000,000	
Results **are** cumulative.		2000	13,000,000	

G/ENV/ENR Biodiversity Program				
IR 1.1:	**Effective biodiversity conservation and management**			
Indicator 3:	Documented improvements in biodiversity conservation as a result of strengthened policies or *improved* policy implementation	FY	Planned	Actual
Unit of Measure:	Number of policy successes	1996	Baseline	18
Source:	Reports from partners	1997	16	28
Comments: Policies include laws, regulations, decrees, and agreements — adopted an organization — which support the conservation and management of biodiversity. Policies can be designed and implemented at local, regional, national, and international levels. Internal policies of conservation NGOs would not be included in this total. Policy successes are documented examples where G/ENV-supported efforts to improve policies or policy implementation have directly contributed to on-the-ground biodiversity conservation. Results are reported annually and **are not cumulative**.		1998	10	
		1999	10	
		2000	10	

B. IR 1.2: Improved Management of Natural Forest and Tree Systems

1. Performance Analysis

The IR 1.2 Forestry Team met or exceeded all of its planned 1997 results. Baselines for many of the Forestry Team's indicators were set in January 1997 and data were collected in March 1997. Therefore, lower-level indicators and professional judgment were used to determine progress toward objectives in the absence of an established reporting framework. The higher-level indicators of *improved* and *effective* management do not tell the whole performance results story, however, which can be seen in the lower-level indicators and indices now being developed. An example is the Forestry Team's support for community forest management, which is designed as a catalytic process without resources provided for sustained management over the long term in the target areas. Therefore, results are reported along an index of improved management to demonstrate performance results. Although these may not “roll up” to hectares, the Forestry Team uses professional judgment on how these should be aggregated under the two intermediate results of *improved* and *effective* management. Indication of important progress toward influencing the agenda of international research institutions, a particular strength of the Forestry Team, is captured in the Value-Added indicators 3 and 4, which measure Agency and International Leadership at the SSO level.

The Team is reporting two unexpected results for FY97: 40,000 hectares of degraded forest lands where rehabilitation techniques are applied, and 18,000 hectares of natural forest under integrated monitoring. The opportunity to work in these areas arose unexpectedly, but, responding to Mission requests, the Team took advantage of these unforeseen “windows of opportunity,” which were not part of the performance year plan. Another example of this phenomenon includes the expansion of forestry programs into the ENI region, involving projects in Russia and Albania. These were jointly developed in 1997 and will be implemented in 1998 and beyond.

Participation in Community Forest Management

The FY97 target for community forest management was exceeded by 141,200 hectares, a result of both an increased demand for the activities provided under this program and improved reporting by the partner organization. However, due to difficulties with the NMS system, money to support planned activities in community forest management was not obligated until September 1997, which delayed developing indicators that will provide accurate data to reflect progress along an index. The *coup d'état* in Cambodia and the subsequent close-out of activities precluded achievement of expected results in that country.

Reduced Impact Management Applied

At the start of the performance year, if a multi-year forest management plan was in place for an area, the Forestry Team counted the entire area toward its goal of having reduced impact management (RIM) applied to it and being effectively managed. However, since the Brazil Mission only counts those hectares being harvested *in that year* as having RIM applied, the Team changed its definition to report the same way. Therefore, the 1996 actual and 1997 planned results were adjusted downward to reflect this. The activities in Brazil leveraged about $2 million in additional funds from the International Tropical Timber Organization (ITTO) and the G-7 Pilot Project for regional RIM training in FY98 in Brazil and other parts of LAC. The success of RIM demonstration activities is exemplified by the program's high recognition among Brazilian industry and government, which fully backed the ITTO program. This program also proved to be an important negotiating tool during the 22nd ITTO meeting in Bolivia. Also in 1997, agreement to expand RIM activities to Indonesia was reached between the Forestry Team and its partners, the U.S. Forest Service (FS), the Tropical Forest Foundation (TFF), the Center for International Forest Research (CIFOR), USAID/Jakarta, and local partners. The Team anticipated starting on-the-ground activities by the end of this reporting period, but were unable to do so because of funding constraints. Progress in the early part of 1998 in Indonesia may be slow because of the financial situation and political turmoil there.

Degraded Forest Land Being Rehabilitated

Progress toward achieving targets for this intermediate result through the International Center for Research in Agroforestry (ICRAF) partner in Indonesia received an unexpected jump start. An outstanding yet unanticipated achievement in FY97 was the granting of tenure by the Indonesian Government to communities with “Damar” (resin) agroforestry systems in southern Sumatra, encompassing 40,000 hectares. This policy decision resulted from the area being rehabilitated through agroforestry. The Forestry Team expects this policy change to serve as a tenure security prototype for the rehabilitation of degraded lands in other areas. A performance achievement under this intermediate result that is not counted in hectares is the creation of a manual on the rehabilitation of *Imperata*-dominated degraded lands that will soon be published.

Integrated Forest Monitoring Implemented

Regarding progress in this area, Team partners successfully completed a test on 18,000 hectares of a 360,000-hectare national park and contiguous timber concessions. The value of aerial-videography as a tool to monitor forests for sustainable management was demonstrated by comparing it to a less-effective tool that is presently used. Again, this does not adequately reflect progress in this area relating to targets of opportunity and carry-over activities. In response to

Mission and State Department requests concerning fires in Indonesia related to the "El Niño drought," the IR 1.2 Team, in collaboration with the U.S. Forest Service and other government agencies, provided "real time" maps of the fires online, accessible by anyone with a computer. This has provided a window of opportunity to provide additional information on the state of the forests in Indonesia to the public sector that has great potential to favorably influence the sustainable management of forests in the near future in that country.

Value Added

The IR 1.2 Team programs have received kudos from USAID Missions, other donor organizations, host governments, and NGOs. This appreciation and recognition is reflected by a large number of buy-ins (OYBs), amount of leveraged funding, and the use of technologies developed by the Team and its partner, such as RIM. The following are illustrative of these type of achievements. The Team played a major role in assisting the USAID/Haiti Mission in developing its energy strategy to include a major emphasis on energy-efficient charcoal stoves and other alternative energy sources as a means of reducing wood/charcoal consumption and deforestation. Because charcoal is the major fuel source in Haiti, this activity makes the Mission reforestation programs more effective. Also, the Team played a major role in supporting institutional capacity building activities in Central America related to carbon sequestration and the U.S. Initiative on Joint Implementation (USIJI) programs. The Team also provided support to Missions in Nicaragua, El Salvador, Honduras, Mexico, Panama, Bolivia, Guatemala, and Indonesia on advancing activities under USIJI, focused on increasing carbon sequestration and preserving carbon storage in various ecosystems as an off-set to global warming. The Team's forward vision on global climate change issues was also demonstrated by its investing in the development of methodologies to scientifically measure carbon storage in a variety of forest management systems. This research investment produced dividends by the citation of this work at the recent Third Conference of the Parties, held to negotiate an international agreement on global climate change at Kyoto. These methodologies are also being used by both NGOs and the private sector to measure carbon in various USIJI projects. For example, the application of these methodologies was critical in securing funding for the Rio Bravo USIJI project in Belize that totals more than $3 million. Also based on this research, the largest IJI project to date (total funding: $10 million) was initiated at the Noel Kempff reserve in Bolivia for sustainable forest management.

2. Expected Progress through FY00

One reflection of the impact of the TA to Missions has been the level of increase of buy-ins (OYBs) into the program, which increased from 20 percent to 70 percent of our programs' funds.

It is anticipated that the programs in IR 1.2.1, community forest management, will more than double in scope and number of persons affected; IR 1.2.2, RIM, will have in place a consortium of RIM training centers in Brazil, Bolivia, and Costa Rica, and a Southeast Asia RIM Training Center located in Indonesia; IR 1.2.3, rehabilitation of degraded lands, a major policy on tenure for rehabilitating degraded lands will have been promulgated, and a private sector partnership on cutting-edge technologies for reforestating degraded lands will have been established.

G/ENV/ENR				
IR 1.2:	**Improved management of natural forests and tree systems**			
Indicator 1:	Area of natural forest and tree systems brought under *effective* management	FY	Planned	Actual
Unit of Measure:	Hectares	1997	Baseline	59,200
Source:	Reports from partners and cooperators	1998	1,400	
Comments: *Effective* management refers to the utilization or presence of one or more of the following: effective community participation, reduced impact management, rehabilitation efforts, and/or integrated monitoring systems; and where both the environmental quality is improved, maintained or degradation slowed and the institutional ability to monitor and respond to threats and opportunities is demonstrated. (This represents area under 1.2.2 [RIM], 1.2.3 [rehabilitated forest land], and 1.2.4 [integrated forest monitoring].) Results are reported annually and **are not cumulative**.		1999	1,900	
		2000	2,900	

G/ENV/ENR				
IR 1.2:	**Effective management of natural forests and tree systems**			
Indicator 2:	Area of natural forest and tree systems brought under *improved* management	FY	Planned	Actual
Unit of Measure:	Hectares	1996	Baseline	500,000
Source:	Reports from partners and cooperators	1997	632,000	841,200
Comments: "Improved management" refers to the utilization or presence of one or more of the following: effective community participation, reduced impact management, rehabilitation efforts, and/or integrated monitoring systems in which one or more of the following results are achieved: increased participation of stakeholders in the management, strengthened capacity for implementation, or where enabling strategies or policies have been developed as indicated by advance in our lower level indicator index. (Derived from 1.2.1.) Results are reported annually and **are cumulative**.		1998	1,000,000	
		1999	1,400,000	
		2000	1,750,000	

C. IR 1.3: Environmental Education and Communication (EE&C) Strategies, Methods, and Tools Systematically Applied in USAID-Assisted Countries

USAID's flagship mechanism for this IR is the jointly managed G/ENV and G/HCD GreenCOM Program, which provides state-of-the-art expertise in education, social marketing, development communication, participatory methodologies, and gender analysis to USAID-assisted countries. Emphasis is placed on building capacity in counterpart institutions in the design and delivery of environmental education and communication programs to strengthen the impact and expand the reach of environment programs.

1. Performance Analysis

Based on extensive feedback and discussion during the performance monitoring plan development process in early FY97, the IR team completely revised the results framework and associated indicators to better reflect the scope and focus of the program and measure its impact. The intermediate result is measured by one cumulative indicator: the number of agencies, NGOs, or institutions that have systematically tested and applied environmental education and communication strategies, methods, and tools in environmental programs. Recording a total of seven new counterpart institutions, for a total of 24, the IR 1.3 Team met its cumulative target of 23.

An illustrative example is the Egyptian Communication Unit of the Ministry of Public Works and Water Resources, which has developed and implemented a strategic plan for improved communication to rural farmers, through implementing national awareness campaigns and training for more than 5,000 extension workers in how to better communicate with farmers. Behavioral research conducted by the unit informed the development of appropriate and targeted content for the campaigns and training programs, and provided a baseline for ongoing monitoring and evaluation. Gender-disaggregated data provided important insights for message development and training curricula.

With buy-ins from Missions totaling $6 million in FY97, the IR team exceeded a target for a lower-level result to provide guided practice and training in the development and use of EE&C strategies, methods, and tools to 2,000 individual service providers. In fact, 2,916 practitioners were reached. This was due to increased funding made available by Missions, leveraged resources and commitment on the part of counterpart institutions, and innovative partnerships with a cross-sector of ministries and international donor and environmental organizations. A baseline will be set in FY98 for a new indicator under this lower-level result to reflect the number of trainees reporting changes in knowledge, skills, and attitudes toward the use of these strategies and methods as a result of training and guided practice.

In the lower-level result of dissemination of materials on environmental education and communication strategies, methods, and lessons learned in the field, the target of 1,250 professionals in environment-related fields as well as environmental educators receiving bulletins and materials on a regular basis was met. This effort was enhanced by the development of an online information and materials database for environmental education and communication.

Baseline data will be collected in FY98 for new indicators to reflect the extension and impact of specific environmental methods and strategies in participation and the use of media by

counterpart institutions and organizations. Exposure rates to various types of environmentally mediated programs will be measured and an index to measure the use of participatory methodologies has been established. Hundreds of thousands of individuals have seen, read, or heard specific messages targeted to increase awareness and understanding or to change/reinforce specific environment-related behaviors.

Positive customer feedback from the Missions is reflected by a considerable increase in the value of Mission buy-ins to the program. A customer survey tool is being developed for Mission counterparts to better assess services provided under this IR. There is an increased focus on and request for assistance to extend and apply participatory methodologies in solving environmental problems and in working with counterpart institutions. Mission environmental programs are also looking for cross-cutting communication support to ensure synergy and increased impact across SO activities. There is an increasing number of requests for help from counterpart institutions and organizations to make these linkages.

Highlights in international leadership in environmental education and communication include: provision of technical leadership and direction in a collaborative initiative with State and USIA in the Multilateral Working Group on Water Resources of the Middle East Peace Process, where research and consensus building resulted in the development of a strategy for regional awareness around water conservation practices with seven parties of the Peace Process. The seven parties have agreed to develop water awareness programs targeted at children at both the local and regional level. The team facilitated a three-day workshop for more than 60 international practitioners and policy makers in lessons learned in environmental education and communication. The workshop has contributed to a small but growing international network of leaders in the field. The team provided input and draft language into a GTZ-sponsored OECD Working Paper on environmental communication, which highlights the importance of environmental communication as an integral part of environmental planning processes.

2. Expected Progress through FY00

Based on current enthusiasm and interest by Missions in improved environmental education and communication programming, current targets for the highest-level result through FY00 should be met or exceeded. Baselines will be established in FY98 for three new indicators and increased numbers of service providers will be reached through new Delivery Orders in Mali and Egypt and through expanded work with NGOs in Nepal.

Discussions are under way in planning for a follow-on mechanism for continued support and technical services in FY00. This will include the award of a new IQC for support in environmental education and communication by the end of FY99, to ensure overlap and continuity of support for Missions, as well as Agency leadership in a dynamic and rapidly growing field.

3. Performance Data Tables

The following tables are for key indicators for which there were targets for this performance year. The complete set of performance data tables is located in the Performance Monitoring Plan, and supporting data is archived in centralized files at G/ENV.

G/ENV/ENR				
SSO1:	**Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas**			
IR 1.3	**Environmental Education and Communication (EE&C) strategies, methods, and tools systematically applied in USAID-assisted countries**			
Indicator 1:	Number of agencies, institutions, and NGOs where EE&C strategies, methods, and tools have been tested and applied systematically in environment-related programs	FY	Planned	Actual
Unit:	Number of agencies, NGOs, and institutions (cumulative)	1996	baseline	17
Source:	Contractor reports	1997	23	24
Comments: This indicator is the only **cumulative indicator** in the results framework and reflects the number of agencies, institutions, and NGOs that have systematically (using the approach outlined in the overview) applied EE&C strategies, methods, and tools as an integral part of an environmental program. Examples include national media campaigns, community mobilization programs, school based EE programs, and EE&C strategy development. * These projections are based on a trends analysis and will be adjusted as additional Missions submit requests for technical assistance. A new implementing mechanism will be in place in FY01.		1998	34	
		1999	39	
		2000	42*	
		2001	44*	

G/ENV/ENR				
SSO1:	**Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas**			
IR 1.3.1	**Improved capacity of agencies/NGOs to design and implement EE&C programs in key countries**			
Indicator 1:	Number of service providers receiving guided practice and training in the development and use of EE&C strategies, methods, and tools	FY	Planned	Actual
Unit:	Individuals	1996	Baseline	5,781
Source:	Contractor reports	1997	2,000	2,916
Comments: This indicator reflects the degree of outreach to agency, ministry, nongovernmental, community, and grassroots organization staff participants receiving training and guided practice in EE&C as a direct result of interventions in the field. This indicator also includes journalists trained in environmental issues under specific interventions. Targets for FY00 onward are difficult to set, not knowing the extent and magnitude of future delivery orders. Key countries indicate a long-term funding commitment for EE&C programming and delivery.		1998	647	
		1999	700	
		2000	400	

G/ENV/ENR				
SSO1:	**Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas**			
IR 1.3.5	**Materials and information disseminated on EE&C strategies, methods and tools**			
Indicator:	Number of targeted professionals receiving bulletins and materials	FY	Planned	Actual
Unit:	Individual professionals	1996	baseline	1,138
Source:	Contractor reports	1997	1,250	1,286
Comments: This indicator will measure the number of trainees who report changes in knowledge, skills, and attitudes toward EE&C resulting from training and guided practice activity. Data for this indicator will gathered over the course of FY98 and set as baseline.		1998	1,400	
		1999	1,550	
		2000	1,700	

D. IR 1.4: Increased Conservation and Sustainable Use of Coastal and Freshwater Resources

Activities organized under IR 1.4 promote integrated management of coastal and freshwater resources through participatory, community-based field site activities in cooperating countries and through the development and dissemination of improved strategies, policies, concepts, and tools at local, national, and international levels.

1. Performance Analysis

Area under *Improved* Management

In FY97, the Water Team initiated major integrated coastal management (ICM) programs in Indonesia and Tanzania, significantly expanded ICM efforts in Mexico, graduated the Sri Lanka coastal program on its path to sustainability, and initiated a variety of activities in integrated water resources management (IWRM). Performance objectives for new coastal areas brought under improved management were met in all sites where this work on better governance systems was planned, which totaled 75,377 ha in Mexico. This is less than the target of 100,000 ha because the extent of the southern Yucatan coastline was overestimated in 1996, not because of failures of implementation. The 1997 target has been revised from 825,400 ha to 800,777 ha to reflect the correct total area of the three regions where programs were planned. Because implementation is successful at all sites, the cumulative area under *improved* management is recorded as the same area, or 800,777 ha.

Indicators used in previous years were refined and new ones established in 1997. Bookkeeping adjustments included converting linear kilometers of coastline reported in 1996 to hectares by defining the coastline as a strip one kilometer wide; correcting a 3 percent overestimation of the 1996 baseline of 7,500 km to 725,400 ha; and removing 694,400 ha of coastline in Thailand, Ecuador, and Sri Lanka from cumulative baselines and targets as of FY98, because these programs are continuing without direct USAID support. Therefore, 1998 cumulative targets for Mexico, Indonesia, and East Africa are less than the 1997 baselines.

Areas with *Effective* ICM Programs

Results under this indicator, defined by both institutional capacity and biophysical conditions, are being tracked for the first time this year. Areas with *effective* ICM programs, defined by both institutional capacity and biophysical conditions, are being tracked for the first time this year. This indicator is not comparable to area of “biologically important aquatic habitat” reported in 1996 because (1) criteria are more rigorous and (2) developed areas and areas without critical habitat are included. In 1997, 17,377 ha were brought under *effective* management, for a cumulative total of 134,444 ha.

Major new activities do not yet have quantitative performance results, and FY97 values are baselines. At the IR level, 10 partners adopted USAID policies and tools for ICM in FY97, and another five government agencies, UN organizations, MDBs, and others are targeted for this year. Data for stakeholders and trainees are all disaggregated according to gender, and targets are set for percentages of women in certain activities (e.g., number of women trainees is to increase from 15 percent in 1997 to 18 percent in 1998).

There are currently no targets for IWRM, as these activities will not become fully operational until award of an IQC mechanism in FY98 or FY99. An interdisciplinary team is currently developing a strategic framework and performance monitoring plan for the new activities.

Highlights of FY97 program achievements include the following.

- *Indonesia.* This activity promotes decentralized coastal planning in North Sulawesi. An inter-agency working group selected four sites consisting of 2,785 hectares of critical coastal habitat to establish a unique coastal governance partnership between local government and resource users. Baselines were set; 34 stakeholder groups participated in the planning; and more than 50 men and women received training, including "people to people" exchanges with coastal sites in the Philippines. National institutional strengthening focuses on establishment of the Center for Coastal and Marine Resources Center Studies at the Bogor Agricultural University. This new partner in research and dissemination has created a professionals network, a Web site, a new *Indonesian Journal of Coastal and Marine Management*, and a gender-inclusive strategy for the project.
- *Tanzania.* In just six months, the Tanzanian Coastal Management Partnership has built support within government and key areas of the private sector for a national coastal management policy discussion. The Partnership has steadily built support since the design phase through regular consultative briefings with the heads of directorates and the activation of inter-agency and multidisciplinary working groups. Planning focuses on the national policy initiative and on sustainable development of mariculture.
- *Mexico.* More than 75,377 hectares of critical coastal habitat in the biologically diverse region of southernmost Yucatan Peninsula are now under improved coastal management. Through a partnership with Amigos de Sian Ka'an, the coastal community of Xcalak created and implemented protected area and site management plans. The community convened a participatory process to draft development guidelines that promote improved governmental performance for integrated coastal management and voluntary adoption of sustainable practices by developers and resource users. These models are being replicated through expansion of the program to new institutions and new sites in Quintana Roo and the Gulf of California.
- *Gulf of Aqaba.* The Water Team supported establishment of an Israeli-Jordanian research and monitoring program for the upper Gulf of Aqaba, including the Red Sea Marine Peace Park (funded by MERC). The Team also helped U.S. and regional partners to implement a Middle East regional workshop under the auspices of the International Coral Reef Initiative.

Dissemination of Tools and Concepts

Print and electronic media strengthened professional ICM networks globally. INTERCOAST, a practitioners' newsletter, and an ICM Web Site and Discussion Group, provide information on key ICM topics to over 5,000 practitioners in 130 nations. These communications are jointly supported by USAID and the Coastal Zone Management Center of the Netherlands.

- *Convention on Biodiversity.* Water Team members wrote the U.S. Government position on inland waters for what was largely adopted by the Convention on Biodiversity's deliberations on inland aquatic ecosystems (SBSTTA-3).

2. Expected Progress through FY00

Beginning in FY99, a new IQC delivery order mechanism will give G/ENV access to technical and policy expertise in IWRM for the first time. Heavy use of the IQC by USAID Missions is expected, leading to steady expansion and increased use of the Water Team's IWRM field support operations. At the same time, global leadership in ICM policies and dissemination of lessons learned are expected to continue at a steady rate, while field site areas under *improved* and *effective* management will increase slowly until new coastal governance structures covering large areas in East Africa, Indonesia, and Mexico reach maturation around 2001.

- *Water Resources IQC.* Activities in IWRM will sharply increase in FY99, when G/ENV begins implementing the new IQC for IWRM. The IQC will offer Missions access to short- and long-term assistance in all aspects of the science, policy, planning, and practice of integrated water and coastal resources management, including aquatic ecosystem protection and management. This mechanism has awaited action from M/OP since April 1997, yet may not be available until FY99.
- *NOAA Partnership.* Through a partnership with NOAA, the Water Team will offer Missions technical services assistance in hydrology, meteorology, fisheries, river basin planning and coastal and aquatic ecosystem management, and other essential aspects of IWRM.
- *JAIF-Funded Initiatives.* The Water Team secured $990,000 in competitive grants from the Joint Action Incentive Fund of the Global Bureau in 1997 and 1998. These resources are being used to establish a national center in Jamaica to provide technical assistance, training, and advocacy in sanitation programs; protect and improve the island's water resources; and promote highly participatory IWRM approaches involving public, private, and community stakeholders. In Morocco, these funds will be used to implement a highly participatory community-based project in sanitation and wastewater reuse, while in selected Latin American countries they will enable decentralization of water and sanitation services, a key aspect of water sector reform.
- *Shrimp Mariculture.* A study of sustainable shrimp mariculture practices, supported by the USAID/LAC Bureau's Hemispheric Free Trade Initiative, produced results that were shared with key stakeholders from Central America and globally under the auspices of the World Aquaculture Society, GESAMP, FAO, and the Global Aquaculture Alliance. High priority and practically feasible demonstration activities for FY98 will be carried out in partnership with PROARCA/Costas to promote sustainable shrimp mariculture in Central America. The principal field site will be located on the Gulf of Fonseca.
- *ICM Common Methodology.* A practical manual for evaluating the management capacity of ICM programs will be tested and applied worldwide to establish universally applicable monitoring techniques for learning across countries and regions. USAID's concepts and tools are being applied, refined, and disseminated with leveraged funds from UNDP, GEF, and SIDA.

3. Performance Data Tables

The following tables are for key indicators for which there were targets for this performance year. The complete set of performance data tables is located in the Performance Monitoring Plan, and supporting data is archived in centralized files at G/ENV.

G/ENV/ENR				
SSO1:	**Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas**			
IR 1.4	**Increased conservation and sustainable use of coastal and freshwater resources**			
Indicator 1:	Area in key countries/regions with *improved* ICM programs	FY	Planned (ha)	Actual (ha)
Unit:	Hectares of coastline	1996	baseline	725,400
Source:	URI field teams	1997	800,777*	800,777*
Comments: Areas are considered to have improved ICM on the basis of scores on the management index. The index is based on initiation and completion of essential elements of the policy cycle: (1) issue identification, (2) program preparation, (3) formal adoption and financing, (4) implementation, and (5) evaluation. (See sample management index, below.) Best professional judgment is used to determine whether or not management is "significantly improved" at each site, because scores are site-specific and are only proxies for actual management quality. Areas are derived from actual dimensions of designated sites or are conservatively approximated by multiplying the relevant length of coastline by one kilometer. Management of critical habitats that merit special attention, especially coral reefs and mangroves, will be monitored separately. Biophysical assessments of potential changes in environmental quality will be conducted in special management areas as appropriate. Indicators will vary from site to site, but might include density of mangrove cover, density of coral cover, or sediment loads. These data will be reported at the SSO1 level as indicators of "effective" management. Results are cumulative. However, work completed in Ecuador, Sri Lanka, Thailand, and Zanzibar, all of which were completed by the end of FY96, is removed from totals as of FY98. As of 1998, only East Africa, Mexico, and Indonesia are included. Work in these countries is not counted toward supporting indicators below. The large increase in 2000 reflects the anticipated maturation of programs in Tanzania and North Sulawesi. *Targets reflect the exact areas of sites where work is planned when this information is available. When implementation is successful at all sites, planned area equals actual area.		1998	116,377	
		1999	153,377	
		2000	496,277	

G/ENV/ENR				
SSO1:	**Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas**			
IR 1.4	**Increased conservation and sustainable use of coastal and freshwater resources**			
Indicator 2:	Area in key countries/regions with *effective* ICM programs	FY	Planned (ha)	Actual (ha)
Unit:	Hectares of coastline	1996	----	----
Source:	URI field teams	1997	baseline	134,444
Comments: This indicator is NOT equivalent to "critical habitat," which was reported previously. Areas are considered under effective management when two conditions are met: (1) environmental quality is maintained or improved and/or the rate of degradation is reduced and (2) institutional ability to monitor and respond to threats and opportunities is demonstrated. Please note that this indicator will be applied only in those sites where monitoring systems are in place. As a result, performance data for this indicator will be representative of the biophysical impacts achieved in those sites with operational monitoring systems, rather than comprehensive in covering our entire portfolio. Results are cumulative. However, work completed in Ecuador, Sri Lanka, Thailand, and Zanzibar, all of which were completed by the end of FY96, is removed from totals as of FY98. As of 1998, only East Africa, Mexico, and Indonesia are included.		1998	51,162	
		1999	54,162	
		2000	57,162	

G/ENV/ENR				
SSO1:	**Increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems in key areas**			
IR 1.4	**Increased conservation and sustainable use of coastal and freshwater resources**			
Indicator 3:	Number of partners adopting ICM strategies, policies, concepts, and tools developed by G/ENV	FY	Planned	Actual
Unit:	Number of partners	1996	----	(10)
Source:	Field reports, partners' reports, URI data	1997	baseline	10
Comments: New approaches are counted toward this indicator when strategies, policies, concepts, and tools developed by G/ENV (reported in lower levels of the results framework) are accepted or implemented by partners. Partners include government agencies, NGOs, UN organizations, MDBs, universities, and USAID Missions and Bureaus. Significant and direct contact with G/ENV and its cooperators is required for this indicator. This requirement will avoid over-attribution, at the cost of missing influences that are only secondary. Results are cumulative from 1997 on. 1996 data, calculated retrospectively, are reported for background information only. Partners in 1997 included UNDP, GEF, SIDA, IDB, and the Global Aquaculture Association. Note: These values are not reported at the SSO level.		1998	20	
		1999	30	
		2000	40	
		2001	50	

Annex B

Strategic Support Objective 2

SSO2 Org Chart

Annex B
IR Progress Toward Objectives

A. IR 2.1: Expanded and Equitable Delivery of Urban Environmental Services and Shelter

Sustainable urbanization rests on the premise that protecting the health of human settlements and natural ecosystems is critical for long-term economic security. Economic benefits will result from the urbanization process if urban residents, especially the poor, are given access to decent environmental services and shelter. In light of this goal, IR 2.1, Expanded and Equitable Delivery of Environmental Services and Shelter, focuses resources on the promotion of service and shelter expansion and access through the following four approaches:

- policy and regulatory reform that promotes access to urban services and shelter (IR 2.1.1.1)
- expanded financial resources available for investment in services and shelter (IR 2.1.1.2)
- an expanded private sector role in service and shelter delivery (IR 2.1.1.3)
- targeted approaches to provide services and shelter to low-income users (IR 2.1.1.4)

IR 2.1 uses an "index" to measure progress made along a continuum toward the achievement of each sub-intermediate result. This continuum or common path is summarized in four stages of development. Each of the regional offices identified the current stage or level of its programs for those sub-intermediate results they work on. Because programs vary considerably in strategy and the problems they address, RUDOs will report only on categories of the performance indices that best describe their programs. Progress under this IR is measured by how well RUDOs introduce the four elements as an integrated approach to sustainable finance, understanding that countries differ radically in level and approach to market-based finance systems.

During FY97, quantitative baselines and targets were established for IR 2.1, under the Service Expansion Policy/Regulatory Index (see the IR 2.1 Performance Data Tables in this annex). Because FY97 is the baseline year for measuring progress under this index, the SSO2 team assessed progress for IR 2.1 by highlighting selected examples of progress and accomplishments across its regional SSO2 programs.

1. Performance Analysis for IR 2.1

In FY97, G/ENV/UP and its field staff RUDOs made significant progress in developing sustainable financing systems that lead to equitable delivery of shelter and urban services. In particular, progress was made toward the development of new instruments that can be used to finance urban services and shelter. Most remarkably, RUDO/New Delhi assisted the city of Ahmedabad, India in issuing the first municipal bond in India and South Asia. The issuance of the bond, and the adoption of municipal bond financing as a model in India, will help direct India's domestic investments toward municipal infrastructure and ultimately benefit city residents. Following the Ahmedabad model, at least six other cities in India are currently pursuing programs to issue municipal bonds. Municipal bonds are also recognized in India as an important new investment instrument that will greatly improve the development of the Indian capital market. Similarly, USAID/Warsaw provided policy and technical assistance that supports the development/issuance of municipal bonds by Polish cities. To date, six cities have issued municipal bonds in Poland.

RUDOs were also successful in developing and promoting other financing models for municipal services and shelter. The development of the first Build-Own-Transfer (BOT) project in Tiruppur, India — the first water supply privatization project in India — is another pertinent example. RUDOs in Pretoria, Quito, Warsaw, and Jakarta also helped their public and private sector partners in developing model structures for financing urban service. Financing structures depend on the *credit risk* associated with the underlying transaction. Hence, a sustainable municipal finance system needs independent market players that specialize in evaluating credit risk. This notion of "credit rating" not only improves investor confidence, it also results in significant improvements in the management of municipal/private utilities as the project promoters strive to obtain a higher rating. The work done by the RUDOs in New Delhi and Warsaw has established credit rating as a legitimate business in the market. The RUDOs also provided technical assistance geared toward building capacity in the local credit rating agencies to rate municipal bond issues.

RUDOs achieved success in helping their partners develop policy and regulatory regimes that support infrastructure and shelter privatization. RUDO/Jakarta was successful in incorporating project development guidelines — which lead to commercially viable infrastructure projects — in the Government of Indonesia's official planning/guidance to local governments. RUDO/ Jakarta's success on its work to rationalize intergovernmental transfers in Indonesia is also noteworthy. RUDO/Warsaw's technical assistance and promotion of public-private partnerships as a model for financing municipal services contributed to the reform of the municipal finance law. This law will be introduced in the legislative assembly for voting in the near future. RUDO/ Warsaw's work also enabled Poland's lead municipal finance agency (MDA) to adopt capital planning techniques. The MDA is now training local governments in the use of the techniques. RUDO/Quito also conducted several key municipal finance assessments/conferences in the LAC region. These have sparked the interest of policy makers and started the process of reform that can lead to the development of sustainable municipal finance systems in the LAC region. In addition, G/ENV/UP worked to develop the Municipal Infrastructure Framework in South Africa, which represents seminal work with the World Bank on assessing the level of development and maturity of the financial sector in key countries.

The activities under IR 2.1 focused on key sectoral bottlenecks and achieved significant results in terms of policy reform and development of infrastructure finance models.

2. Expected Progress (FYs 1998–2000) and Management Actions for IR 2.1

During FY97, G/ENV/UP adopted a new system of indicators to measure the progress under IR 2.1. The measurement is based on indices that track the development of a service and shelter delivery municipal finance system. Please see the performance monitoring plan for a description of the baseline where the target systems have been placed. The results expected at the end of FYs 1998–2000 are described in the narrative in the performance monitoring tables for IRs 2.1 and 2.2.

RUDOs will continue to work on the development of financing instruments and structures that can facilitate increased investment in the provision of urban services and shelter. RUDOs will pay increased attention to the establishment of policies and practices in their target countries that facilitate the involvement of the private sector in financing urban services. For example,

RUDO/Quito has worked with the Government of Ecuador (GOE) and the private sector to implement reforms that promote capital mobilization for housing and related environmental infrastructure. Between FY98 and FY00, RUDO/Quito will assist the GOE in moving from Stage 3, in which an integrated policy framework is under development or partially in place, to Stage 4, in which a transparent municipal finance policy is in place and understood by both the local government and private sector. RUDO/Quito will work with the new administration after the elections in 1998 to ensure that the policy frameworks developed during the previous administrations remain in place and that shelter sector policies and programs are implemented effectively. RUDO/Quito will also work with the IDB and the ICC to increase international investment in the Mortgage Titling Company (CTH), a vehicle that is managed and financed by the private sector and the national government and used to mobilize capital and secondary markets. The RUDO will continue to work with the GOE to improve shelter sector policy and procedures, thereby increasing the number and quality of privatization and housing activities. By FY00, it is projected that transparent shelter sector policies will be in place in Ecuador.

In light of the recent macroeconomic and political developments in Indonesia, RUDO/Jakarta's plan to work with the new Center for Public Private Partnerships (P3 Center) to finalize the Government of Indonesia's umbrella legislation for privatization work, including regulations requiring transparent procedures, will be of particular importance. The issuance of a new national law on privatization and the formal creation of the P3 Center has been established as an indication of a shift from Stage 1 to Stage 2 in Indonesia during FY98. RUDO/New Delhi's plan to replicate the Ahmedabad Municipal Bond experience in other cities will be another important indicator to track.

3. IR 2.1 Performance Data Tables

Result: IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter

Indicator 1: Extent to which an integrated policy framework is in place and is used to guide the system whereby urban infrastructure is financed

Unit of Measure: The average score of those RUDOs who are reporting this indicator for each year.*

Source: RUDO

Year	1997	1998	1999	2000	2001	2002	2003	
Target	Baseline	2.5	2.8	3.4	3.1**	3.3	3.4	
Actual	2.3							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Pretoria, Quito, Rabat, Warsaw

** Explanation for the decline in the target average number. Two of the eight RUDOs are expected to graduate and the absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.

Stage/Level			
1	**2**	**3**	**4**
No policy regime in place. Financing needs not being systematically addressed at policy level.	Government acknowledges need for policy framework and has entered into dialog with local government and/or private sector.	Policy framework under development or partially in place. Multiple aspects of a finance system for municipal and infrastructure requirements are being addressed simultaneously.	Transparent municipal finance policy in place and understood by all parties. Monitoring activities exist to evaluate and adapt system as requirements change.

Result: IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter

Indicator 2: Timeliness and effectiveness in facilitating and managing the privatization process

Unit of Measure: The average score of those RUDOs who are reporting this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.3	2.7	3.1	3.1	3.3	3.4	
Actual	2.0							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Harare, Jakarta, New Delhi, Pretoria, Quito, Warsaw

Stage/Level			
1	**2**	**3**	**4**
No policy/regulatory oversight in place. Privatization taking place on an ad hoc basis.	Government acknowledges need for rational privatization policy. Key constraints being identified and analyzed.	Privatization policy being refined Transparent procedures being established and used. Number/value of privatization activities successfully carried out is increasing. System for addressing public concerns, and monitoring performance being developed and/or in use.	Privatization activities taking place where desirable on timely basis with appropriate level of government oversight. System for incorporating/addressing public concerns are well established. Performance of previously privatized activities being monitored and found satisfactory.

Result: IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter

Indicator 3: Degree of choice among appropriate financial mechanisms for municipal and other urban investments

Unit of Measure: The average score of those RUDOs who are reporting this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.5	2.9	3.1	3.3	3.5	3.6	
Actual	1.9							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Pretoria, Quito, Rabat, Warsaw

Stage/Level			
1	**2**	**3**	**4**
No selection of funding sources. Only government or quasi-government funding available	Need for more diverse range of funding channels and instruments acknowledged. Private sector involved in identifying, designing and developing expanded funding options.	One or more new funding channels in use on pilot basis by targeted areas. Development of additional vehicles or instruments continues. Private sector initiative in serving urban investment needs is evident.	Range of appropriate financing vehicles and instruments available to targeted areas. Choice of mechanisms made primarily at the local level.

Result: IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter

Indicator 4: Level of financial sector and other involvement in municipal and urban infrastructure finance in targeted countries

Unit of Measure: The average score of those RUDOs who are reporting this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.1	2.9	2.9	3.5	3.4**	3.5	
Actual	1.6							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Harare, Jakarta, New Delhi, Pretoria, Quito, Warsaw

**Explanation for the decline in the target average number. Three of the eight RUDOs are expected to graduate and the absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2002.

Stage/Level			
1	**2**	**3**	**4**
No financial sector interest or understanding of needs of the municipal sector or for urban environmental infrastructure investment.	Evidence exists of private sector interest in financing of municipal services and urban environmental infrastructure. Private sector and public sector have established dialog on these issues.	Private sector initiatives and marketing to the municipal sector and to urban infrastructure providers are increasing. Share of private financing is increasing. Ongoing forum is established for public-private dialog on municipal finance and urban environmental infrastructure finance.	Competition exists in financing of municipal services and urban infrastructure. Innovation is increasing and costs of financing declining as a result of broader private involvement. Municipal finance industry organization are emerging in private sector.

Result: IR 2.1.1 Expanded Service of Urban Environmental Services and Shelter

Indicator 5: Government funding for infrastructure is provided according to a policy agreeable to local government and the private sector, and allocated to minimize competition with private finance

Unit of Measure: The average score of those RUDOs who are reporting this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.0	2.3	2.7	3.0	3.2	3.3	
Actual	1.3							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi

Stage/Level			
1	**2**	**3**	**4**
Government funding for infrastructure provided on ad hoc basis. No predictability and/or prioritization of purposes by government or coordination with municipal sector or other providers.	Government acknowledges need for strategic funding and allocation of concessionary resources and has begun to examine alternatives. Appropriate use of soft loans under discussion.	Plan in development for predictable government transfers for infrastructure investments. Transparent priorities for use of concessionary funding and/or grants being established and implemented. Strategy for increased credit discipline on government lending being implemented.	Government transfers occur according to plan. Priorities for use of concessionary funding and grants are established and followed. Credit discipline exists in government lending programs.

Result: IR 2.1.2 Service and Shelter Access Promoted

Indicator: Total number of households benefiting from improved urban environmental infrastructure and shelter solutions

Unit of Measure: Target households

Source: Reports from RUDOs, Annual Urban Environmental Credit Program Performance Monitoring Data

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002
Target	Baseline[1]	N/A[2]	N/A	567,000[3]	579,000[4]	186,000[5]	296,000	TBD	TBD
Actual	4,784,976	484,559	514,210	528,570					

Indicator Description: Urban environmental infrastructure and shelter refers to any activities providing mortgages, small home loans, construction loans, and servicing of sites with water, sewage treatment, and/or solid waste disposal.

Note: Targets and actuals are highly dependent on eventual credit-subsidy levels and decisions and ability of countries to borrow (or request disbursements) in a given year. Targets for FYs 1999–2000 begin to show the impact of the decline in UE authorization levels starting in FY96.

In addition to lending in countries with active USAID Missions, SSO2's UE activities include lending in four non-presence countries: Chile, Costa Rica, the Czech Republic, and Tunisia.

[1] 1994 represents cumulative data for the impact of the Urban Environmental Credit Program (formally the Housing Guaranty). Subsequent data show the annual increase in the number of households benefiting from improved environmental infrastructure and shelter solutions. There is usually a lag of 1 to 5 years between authorizations (appropriated funds) and loan disbursements or results.

[2] In 1996, G/ENV/UP began collecting data on number of beneficiaries on a disaggregated annualized basis. Annual targets were not set until FY97. Previously, life-of-project totals (which could span five or more years) were reported. 1995 actual is deduced data.

[3] The target for 1997 has been revised from the previous R4 due to a miscalculation in the original FY97 target. Part of the calculation used persons as the unit of measurement, instead of beneficiary households. The 1997 target was recalculated and revised downward from 799,598 to 567,000.

[4] Targets for FYs 1998–2000 were revised to reflect anticipated disbursements.

[5] Explanation for the decrease in projected beneficiary households. FY98 is the last borrowing under the CABEI program, which provides loans to municipalities in Central America for upgrading environmental infrastructure and services. In addition, due to the ongoing financial crisis in Indonesia, no authorization will occur during FY98.

B. IR 2.2: More Effective Local Governments

Sustainable urbanization is brought about through management decisions that integrate environmental, social, and economic concerns, especially when allocating public resources. Such decisions are largely dependent on the institutional capacity of host local governments and their relationship with both central counterparts and civil society. In recognition of this important dynamic, IR 2.2, *More Effective Local Governments*, focuses resources on:

- improving financial management by local governments to make management and investment decisions more effective and transparent (IR 2.2.1);
- improving local government institutional capacity to plan and deliver appropriate municipal services (IR 2.2.2);
- promoting transparency and reliability of intergovernmental transfers and revenue-sharing formulas for local public works (IR 2.2.3); and
- enhancing local government accountability by increasing public awareness, understanding, and participation in municipal budgetary planning, policy development, and delivery of urban services (IR 2.2.4).

During FY97, quantitative baselines and targets were established for IR 2.2 (see IR 2.2 Performance Data Tables later in this Annex). Because FY97 is the baseline year for measuring progress under this index, the SSO2 team assessed progress for IR 2.2 by highlighting selected examples of progress and accomplishments across its regional SSO2 programs.

1. Performance Analysis for IR 2.2

A primary area of work of RUDOs under this IR has been to promote a systematic integration of capital budgeting systems in city governments and to ensure that effective financial management practices are in use. RUDO-assisted countries vary in terms of the level of sophistication in this regard, but most FY97 programs focused on either developing capital budgeting systems or promoting their wider use. Countries IR 2.2 assists also vary in the effectiveness of their cost recovery regimes. In most cities, user fees are applied on an ad hoc basis. UE loan programs address this deficiency, but the lack of technical assistance for a wider impact beyond UE borrowers constrains the ability to see major changes over a short period of time.

Promoting the use of best practices among local governments is another indicator used to improve city government management. During FY97, six of the eight RUDOs were working on dissemination of best practices to local governments. Most are starting at Stage 1 or Stage 2, in which either no formal mechanisms are in place for exchange of best practices or local governments are connected to databases or to networks that expose them to best practices but need additional focus to begin their incorporation and adoption.

In FY97, the regions of Eastern Europe, Southern Africa, and Asia established nascent networks for the exchange of best practices. Under the Local Governance Program in Poland, in FY97, databases were created and Internet hook-ups established for municipalities who are members of associations. In Zimbabwe, G/ENV/UP helped establish a partnership between ICMA and the Urban Councils Association of Zimbabwe (UCAZ). UCAZ is an autonomous association representing 21 of the 22 local authorities in Zimbabwe. A Memorandum of Understanding

signed by ICMA and UCAZ provides a framework for cooperation in disseminating best practices. UCAZ will begin to operate regionally in Southern Africa once Internet access is established. In Indonesia, a municipal network was established and the foundation for a common agenda put in place.

The International Resource Cities Program matches cities in the U.S. with those in developing and transitional countries to provide technical support in management, service delivery, and other local government areas. Five partnerships funded by G/ENV/UP were formed during FY97, including a partnership between Johannesburg, South Africa and Houston, Texas. A delegation from the City of Houston's Environmental Services Department facilitated a solid waste training workshop in Johannesburg for approximately 70 attendees from the Greater Johannesburg Transitional Metropolitan Council, focusing on basic service delivery, waste minimization/recycling, and training. One major impact of this exchange was the development of a committee of Executive Officers across the four local councils and one metropolitan council that make up the Greater Johannesburg area. The committee has been successful in advancing cost-sharing initiatives for the provision of environmental services. Many councils now share both administrative and functional responsibilities across boundaries. More than 20 Resource Cities Partnerships have now been established by Missions buying into the program.

RUDOs are working in six countries in Asia and five countries in Latin America on urban disaster mitigation programs, introducing early warning systems and disaster management techniques for local governments. In Asia, disaster mitigation practices are being introduced in the Philippines and Indonesia at the municipal level. In Latin America, two countries have municipal departments incorporating risk management into their budgets and plans.

In another area, RUDOs worked in seven countries to improve dialogue among citizen groups, NGOs, and local governments on key environmental issues and shelter. RUDOs are starting at Stages 1 and 2, where no public meetings or open forums for discussion exist or in which public meetings occur but citizens have no meaningful influence. A Citizen's Committee was established under the Sustainable Cuenca project in Ecuador; this committee meets regularly to define environmental problems, prioritize them, and develop an action plan to address the issues.

2. Expected Progress (FYs 1998–2000) and Management Actions for IR 2.2

During FYs 1998-2000, on average the countries in which RUDOs are working will move from Stage 1 to Stage 3 in their efforts to have local governments systematically integrate capital budgeting systems for capital investment planning. On average, RUDO-assisted countries will work toward moving from Stage 2 to 3 in efforts to introduce financial management practices for local governments, as they expect to do with local governments implementing best practices. However, the progress of individual countries will vary. For example, in Indonesia, the dissemination of best practices will be a part of the CLEAN-Urban program. Implementation of best practices as communicated through networks developed and used by CLEAN-Urban in 10 urban areas will be an indicator of the shift from Stage 2 to Stage 3 in FY00. RUDO/Warsaw will publish or distribute best practices through print or electronic media under the Local Governance Program in Poland. Consulting firms, training institutions, and professional associations will use best practices in their work with municipalities. This will bring targeted municipalities in Poland to Stage 4 in FY00.

Work on improving dialogue among citizen groups, NGOs, and local governments will progress on average to Stage 2.5. The progress of individual countries will vary. For example, in Morocco, during FYs 1998–2000 the Urban Environmental Services program will focus on promoting public meetings as an agreed-upon policy in targeted municipalities. Targeted municipalities in Morocco will progress from Stage 2 to Stage 2.5 during this time. In Paraguay, the Alter Vida project will focus on training and institutional strengthening in urban environmental management capacity. Alter Vida will lead environmental awareness workshops to increase citizen participation and awareness. Workshops will target community groups, educators, and the general public. By FY00 it is expected that models to improve citizen participation in the urban environmental planning process will be implemented in 11 municipalities in targeted areas, moving targeted municipalities to Stage 4.

To address the staffing needs in AID/W, G/ENV/UP recently recruited a PMI to be the team leader for IR 2.2. This person will oversee the contracts provided by G/ENV/UP that address work under this IR, as well as report on progress made by RUDOs as stated above.

3. IR 2.2 Performance Data Tables

Result: IR 2.2.1 Financial Management Index								
Indicator 1: Degree of independence municipalities and their citizens have to make investment decisions								
Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*								
Source: RUDO								
Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.0	2.0	2.7	2.8	3.0	3.1	
Actual	1.8							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Pretoria

Stage/Level			
1	**2**	**3**	**4**
Investment decisions are dictated, directed or carried out by central governments.	Central government recognizes need to grant autonomy to local government. Central government has expanded level of consultation with local government and degree of local government decision making.	Local governments exercise significant autonomy in investment decisions. Commitment by central governments to expand autonomy is incorporated into national local government policy.	Local governments act autonomously in making investment decisions with support from central government, consistent with national policy.

Result: IR 2.2.1 Financial Management Index

Indicator 2: Extent to which systematic integrated capital budgeting systems are used in targeted areas

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	1.8	2.0	2.5	3.0	3.0	3.0	
Actual	1.5							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Warsaw

Stage/Level			
1	**2**	**3**	**4**
No systematic integrated capital budgeting systems are used.	Local governments have identified integrated capital budgeting systems as a needed practice. Local governments have begun development of systems.	Systems for capital budgeting are in place. Local governments have transferred capital expenditure information into budget format and/or completed one capital budget cycle.	Systematic integrated capital budgeting systems are in use by the majority of local governments.

Result: IR 2.2.1 Financial Management Index

Indicator 3: Extent to which municipal services and other municipal functions are well managed financially in targeted areas, using annual- budgets, program-based budgets, performance reporting, and/or industry's benchmarking

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.4	2.8	3.2	2.7**	3.2	3.3	
Actual	2.4							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Warsaw

** Explanation for the decline in the target average number. One of the RUDOs is expected to graduate. The absence of its rating affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.

Stage/Level			
1	**2**	**3**	**4**
Minimal or no financial management practices employed.	Local government recognizes need to implement financial management. Development of tools in progress.	Targeted areas have implemented one or more financial management tools. Systems are gaining standardization in targeted areas.	Majority of targeted areas have implemented at least two core financial management tools.

Result: IR 2.2.1 Financial Management Index

Indicator 4: Degree to which rate-making accounting, cost recovery regimes, and financial reporting are implemented in targeted areas

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.2	2.7	2.9	2.7**	3.0	3.0	
Actual	1.8							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Quito, Warsaw

**Explanation for the decline in the target average number. Two of the eight RUDOs are expected to graduate and the absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.

Stage/Level			
1	**2**	**3**	**4**
No cost recovery or rate-making regimes in place.	Need for rigorous cost recovery regimes, user fees and/or refined rate-making systems acknowledged by local government sector. Elements of new systems and administrative policy and regulatory measures needed to implement systems have been identified.	Use of cost recovery and rate-making systems expanding in targeted areas. Enabling policy, regulatory and administrative measures are well understood and being put in place.	Use of cost recovery and rate-making systems is widespread in targeted areas.

Result: IR 2.2.2 Improved Local Government Capacity

Indicator 1: Extent to which local governments are utilizing best practices to improve technical capabilities

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	1.9	2.5	3.0	2.9**	3.3	3.3	
Actual	1.5							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Harare, Jakarta, New Delhi, Pretoria, Rabat, Warsaw

** Explanation for the decline in the target average number. Two of the eight RUDOs are expected to graduate. The absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.

Stage/Level			
1	**2**	**3**	**4**
No formal mechanisms in place for exchange implementation of best practices.	Local governments are connected to databases or are part of a network that exposes them to best practices.	Local governments are implementing best practices.	Local governments are implementing best practices and see impact on technical capacity.

Result: IR 2.2.2 Improved Local Government Capacity

Indicator 2: Extent to which local governments are managing the delivery of urban services efficiently

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	1.6	2.2	2.4	2.6	3.1	3.2	
Actual	1.3							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

RUDOs reporting: Jakarta, New Delhi, Pretoria, Rabat, Warsaw

Stage/Level			
1	**2**	**3**	**4**
Local governments using systems with limitations.	Local governments have identified ways to improve the efficiency of urban service delivery.	Local governments are adopting more efficient measures to change their delivery of urban services.	Local governments have adopted managerial changes and as a result are finding less leaks in their water systems (or other similar results).

Result: IR 2.2.2 Improved Local Government Capacity

Indicator 3: Extent to which municipalities are implementing disaster mitigation practices

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.0	2.9	3.2	2.8**	3.0	3.0	
Actual	1.6							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Quito

**Explanation for the decline in the target average number. Two of the eight RUDOs are expected to graduate. The absence of their ratings affects the weighting and sum of the average, which then shows as a decrease in the target number for the year 2001.

Stage/Level			
1	**2**	**3**	**4**
No disaster mitigation or preparedness policies in place.	Policies and or pilot projects being introduced into disaster prone areas.	Disaster mitigation projects being implemented. Programs being replicated.	In the event of a disaster, new projects and/or policies have assisted in the mitigation of the disaster.

Result: IR 2.2.2 Improved Local Government Capacity

Indicator 4: Extent to which local governments officials are being trained in modern management practices

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	1.6	2.2	2.6	2.6	3.3	3.4	
Actual	1.6							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

RUDOs reporting: Jakarta, New Delhi, Pretoria

Stage/Level			
1	**2**	**3**	**4**
Existing training programs for local government officials need updating.	Appropriate training programs are being developed.	Local government officials are attending training sessions as part of their career management plans.	Local government officials trained are training others in practices learned from training sessions.

Result: IR 2.2.3 Increased Local Government Autonomy

Indicator 1: Extent to which transfers are predictable, reliable and equitable

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	3.3	3.7	3.5**	3.0**	4.0	4.0	
Actual	3.0							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Guatemala, Jakarta, Warsaw

**Explanation for the decline in the target average number. One of the reporting RUDOs is expected to graduate. The absence of its rating affects the weighting and sum of the average, which then shows as a decrease in the target number for the reporting year.

Stage/Level			
1	**2**	**3**	**4**
Transfers do not occur between central and local governments.	Grants and project finance are provided to local governments based solely on individual lobbying efforts and political favors.	Ministry of Finance or Interior has public and explicit policy outlining criteria for transfers to local governments.	Transfer formulas are considered progressive and equitable and based on a country's explicit strategic policy.

Result: IR 2.2.3 Increased Local Government Autonomy

Indicator 2: Extent to which central/state policies, codes, and practices are implemented to facilitate autonomy in decision making and revenue generation

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.2	2.4	3.0	3.0	3.3	3.4	
Actual	1.8							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Guatemala, Jakarta, New Delhi, Warsaw

Stage/Level			
1	**2**	**3**	**4**
Policies in place are inadequate for providing minimal autonomy.	Key autonomy issues by local governments are identified and working groups established that include NGOs and the public.	Policies are being voted or agreed upon by central governments to allow for more municipal autonomy.	Autonomy policies implemented and enforced.

Result: IR 2.2.3 Increased Local Government Autonomy								
Indicator 3: Extent to which municipalities are implementing network activities								
Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*								
Source: RUDO								
Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	1.8	2.7	2.9	3.4	3.6	3.6	
Actual	1.2							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Guatemala, Jakarta, Pretoria, Quito, Rabat

Stage/Level			
1	**2**	**3**	**4**
No networks established.	Networks established and common agendas are agreed upon that point to specific actions.	Action plans being implemented throughout municipalities.	Network activities are sustained over time.

Result: IR 2.2.4 Enhanced Local Government Accountability

Indicator 1: Extent to which the public has access and is able to influence local governments on key environmental issues

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	1.9	2.4	2.7	3.1	3.1	3.1	
Actual	1.6							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi, Quito, Rabat, Warsaw

Stage/Level			
1	**2**	**3**	**4**
No public meetings or open forums for discussion.	Public meetings are scheduled and occur on an as-needed or regular basis.	Evidence of public input to the budget changes is due to either citizen pressure; planning changes; or infrastructure investment changes.	Evidence that public has influence over city policies would be linking public meetings to budget preparation; or investment plans; or changes in management at city hall.

Result: IR 2.2.4 Enhanced Local Government Accountability

Indicator 2: Degree to which the budget and decision-making processes are open to the public

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	1.0	1.0	2.0	2.0	2.5	2.6	
Actual	1.0							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Jakarta, New Delhi

Stage/Level			
1	**2**	**3**	**4**
No public meetings or printed materials on budgets.	Budgets are printed in newspapers, available at local or central government ministries.	City councils include one citizen-at-large seat and/or other formal community representation mechanism at annual budget hearings.	Citizens initiatives or positions are evidenced in budget document.

Result: IR 2.2.4 Enhanced Local Government Accountability

Indicator 3: Degree to which citizens feel confident in their local government's capabilities

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	2.5	3.0	3.0**				
Actual	2.0							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: Warsaw

** Proposed Mission graduation in Poland.

Stage/Level			
1	**2**	**3**	**4**
No citizens' confidence.	30% of the public has confidence in local governments.	50% of the public has confidence in local governments.	70% of the public has confidence in local governments.

Result: IR 2.2.4 Enhanced Local Government Accountability

Indicator 4: Extent to which women and disenfranchised groups are represented in local governments and other decision making bodies

Unit of Measure: The average score of those RUDOs who are reporting on this indicator for each year.*

Source: RUDO

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	
Target	Baseline	3.0	3.0	3.0	3.0	3.0	3.0	
Actual	3.0							

Indicator Description: Each indicator has a set of four descriptive "stages." The stages describe the expected steps that occur along a continuum to achieve a given sub-intermediate result. Each RUDO identifies the stage at which its RUDO-funded and/or -managed activities are on the whole. The stages for each indicator were designed to allow for maximum flexibility for the field managers. G/ENV/UP has developed these indices in consultation with the RUDOs.

* RUDOs reporting: New Delhi

Stage/Level			
1	**2**	**3**	**4**
No elected or appointed women and/or disenfranchised group officials are represented in local government.	A need has been identified by NGOs or the public that women and/or disenfranchised groups are under represented in local governments.	Women and or disenfranchised groups are on the ballots to be elected as local government officials.	Increased percentage of women and/or disenfranchised groups is represented in local government positions and other decision making bodies.

C. IR 2.3: Reduced Urban Pollution

Urban pollution is defined as the wastes produced from municipal, industrial, and mobile sources that contribute to the contamination of air, water, and land within a metropolitan region. Urban pollution threatens both the health and productivity of urban populations and natural ecosystems, which, in turn, undermines the goal of sustainable development. During FY97, the SSO2 team provided technical leadership and support to Missions and their customers in selected countries through the EP3 program and the Environmental Law Program (ELP).

The goal of EP3 is to promote the adoption of clean production policies, practices, and technologies by industrial facilities. ELP provides value added to this effort in the areas of policy and regulatory reform. In qualitative terms, SSO2's interventions focus on three substantive areas: establishing policy, legal, and regulatory frameworks for pollution prevention; introducing best management practices and technologies; and building partnerships between government and industry to promote clean production.

1. Performance Analysis for IR 2.3

The indicator “Number of industries integrating pollution prevention/clean production (P2/CP) concepts and technologies into their daily operations and manufacturing processes” is used to measure progress at the SSO level. This indicator technically fell short of expectations. In FY97, 260 facilities reported adopting P2/CP policies, practices, and technologies against a target of 400 facilities. This shortfall is attributed primarily to the inability to comprehensively track and capture results from secondary sources (i.e., the number of facilities reporting implementing P2/CP as a result of training, networking, or information sharing). This was highlighted in the previous R4 as a condition of meeting targets in FYs 1997–1999. As discussed in the SSO-level performance analysis, failure to meet the SSO2 FY97 target for reduced urban pollution does not mean that the IR is off track. Instead, it reflects the adoption of an inappropriate target based on data collection that proved beyond the manageable interests of the field offices.

In the area of P2/CP policy, IR 2.3 exceeded expectations during FY97. Thirty-three policies and initiatives that reflect P2/CP concepts were adopted by governments and industries as integral parts of environmental legislation and guidelines during FY97, compared with the target of four. (See the IR 2.3 performance data tables later in this Annex for details). For example, in Paraguay pollution prevention was introduced into effluent discharge legislation, and in Bolivia, a process to formulate P2/CP incentive policies was introduced into Bolivia's national environmental bylaws.

The most compelling measure of performance is derived from country-specific analyses. For example, in Indonesia, P2/CP audits led to the reduction of 4,000 tons/year of chemical discharges, 60,500 tons/year of organic wastes, and 1,350 tons/year of heavy metals from industry. In terms of policy, the program assisted the Indonesian Ministry of Industry and Tourism in integrating cleaner production concepts into the environmental impact assessment process for new industrial estates. From a sustainability perspective, the program supported the establishment of a National Indonesian Cleaner Production Roundtable in the Environmental Partnership Fund, an indigenous NGO. These accomplishments were achieved over a four-year period and provide a more representative picture of IR 2.3 results than that provided by any single indicator.

Similar examples exist elsewhere. In the LAC region, the U.S.-based Water Environment Federation is creating partnerships with sister organizations in Bolivia, Peru, and Ecuador. These organizations and other partners like UNIDO in Mexico City will serve as resource centers for continuing P2/CP advocacy in the future. As part of the close-out strategy for the EP3 program, detailed summaries of results and lessons learned will be prepared for key countries. This information will then be used to guide the development of a new results package for IR 2.3. The field survey undertaken by SSO2 provided a clear example of the need to carefully consider both data collection constraints and the resources necessary to fully document results. These lessons will be used to help guide the development of future indicators.

As specified in last year's R4, the IR 2.3 team conducted an extensive field survey during FY97 to capture process and impact indicators in three major areas: policies changed to incorporate P2/CP concepts; P2/CP practices and technologies adopted; and partnerships made and capacity built in-country. The survey produced two important findings. The first is that the target for the indicator "Number of industries integrating Pollution Prevention/Clean Production (P2/CP) concepts and technologies into their daily operations and manufacturing processes" for FY99 should be revised to 90 facilities. This number was generated from the field survey and accurately reflects field targets predicated on hard data. The target of 400 facilities originally set for FY99 was based on the extrapolation of the FY96 figure to include results from secondary sources. As it happened, the field offices lack the expertise or resources to conduct surveys from secondary sources. The second finding is the inability of roll-up indicators to accurately reflect both process and impact indicators on a yearly basis. The composite numbers presented in the performance data table for IR 2.3.2.3, which reports on both the number of initiatives and number of individuals to advocate P2/CP, illustrate this dilemma.

2. Expected Progress (FYs 1998–2000) and Management Actions for IR 2.3

As noted in the R4 for FY99 and the SSO2 Performance Monitoring Plan, FYs 1998–2000 represent a transitional period for IR 2.3. This transition is being driven by the close out of the Team's work in industrial pollution prevention and the refocusing of its resources and activities to reducing urban pollution, including the emission of greenhouse gases, through the adoption of an environmental management systems (EMS) approach to pollution prevention and mitigation. The major undertaking during this period will be the development of a new EMS/GCC results framework and corresponding results package for IR 2.3. The two SSO-level indicators, one for P2/CP for industry results and a second EMS indicator for cities, will be used to measure performance during this period. The refocusing of IR 2.3 on EMS and GCC in cities is consistent with SSO2's Performance Monitoring Plan and G/ENV's mandate to provide technical leadership and expertise on global as well as local environmental issues.

The ability of the IR 2.3 team to meet expectations over the next review period will depend on the availability of both personnel and resources. For example, in FY99 the team will lose one of two AAAS Fellows. To fill this void, the team is actively recruiting a PMI from EPA for a four-month rotation to work specifically on GCC. The team would like to extend this position for the remainder of the calendar year. Implementation of the EMS/GCC results package after FY99 is dependent on the availability of resources. At present, the team has resources only to develop the methodology for applying EMS to urban areas and to conduct scoping missions to identify pilot

cities. The start-up time for this activity is projected to be between 12 and 18 months. Additional resources will be required to fully implement the methodology in five or more cities worldwide.

3. IR 2.3 Performance Data Tables

Result 2.3.2.1: Improved Government and Industrial Policies That Include P2/CP Practices

Indicator: Governments and industries adopt P2/CP concepts as integral parts of environmental legislation and guidelines

Unit of Measure: Number of policies/initiatives that reflect P2/CP concepts

Source: Country survey

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	4	16**						
Actual	4	33*							

Comments/Notes: This information reflects data supplied by EP3 country programs in Bolivia, Ecuador, Egypt, Indonesia, and Paraguay, and EP3-sponsored activities in Jamaica, Mexico, and Peru.

* Reason for the discrepancy between the target and actual: when the FY97 target was set, the unit of measure was *number of interventions in legislation.* During the data collection effort for the FY97 indicator report, the unit of measure was changed to *number of policies/initiatives*. Rather than measuring policies put into place, the indicator was modified to measure progress toward policy change and actual policy implementation.

** EP3 program closure is formally scheduled for FY98. The ability to conduct follow-up surveys to monitor the policy change activities that are expected to continue after this time will depend on the availability of resources and in-country staff.

Note: This table was amended on 2/25/98 to adjust Bolivia's numbers and to add information on EP3-sponsored activities in Jamaica, Mexico, and Peru.

Explanation of specific changes:

- Bolivia originally projected four new policies in FY98; now projects one new policy in FY98.
- Jamaica originally not included in estimates. Zero new policies in FY97; projects one new policy in FY98.
- Mexico originally not included in estimates. Zero new policies in FY97; projects one new policy in FY98.
- Peru originally not included in estimates. Three new policies in FY97; projects two new policies in FY98.

Indicator Description for FY97: P2 introduced into effluent discharge legislation (Paraguay); process to formulate P2/CP incentive policies introduced into national environmental bylaws (Bolivia); P2/CP incorporated into existing environmental programs (Indonesia); awareness of importance of P2/CP communicated to government officials (all countries).

Result 2.3.2.2a: Improved P2/CP Practices and Technologies at the Industrial Level

Indicator: Number of industries integrating P2/CP concepts and technologies into their daily operations and manufacturing processes

Unit of Measure: Number of industrial facilities satisfactorily implementing P2/CP concepts

Source: Country survey

Year	1996	1997	1998	1999	2000	2001	2002	2003
Target	132	400	90*	**	**	**	**	**
Actual	298	260						

Indicator Description: This information reflects data supplied by EP3 county programs in Bolivia, Ecuador, Egypt, Indonesia, and Paraguay, and EP3-sponsored activities in Jamaica, Mexico, and Peru. EP3 program closure is formally scheduled for FY98. The ability to conduct follow-up surveys to monitor the industry implementation activities that are expected to continue after this time depends on the availability of resources and in-country staff.

* Revised target based on results of FY97 field survey includes facilities directly receiving technical assistance. Secondary impacts of training and policy reform are not reflected in this number.

** The preliminary indicator table on the following page is currently under development for use in the R4 for FYs 1999–2000. That indicator will replace this EP3 indicator to measure performance at the SSO level.

Note: This table was amended on 2/25/98 to adjust Bolivia's numbers and to add information on EP3-sponsored activities in Jamaica, Mexico, and Peru.

Explanation of specific changes:

- Bolivia originally reported 46 new facilities in FY97; now reports 14 new facilities in FY97.
- Bolivia originally projected 22 new facilities in FY98; now projects 6 facilities for FY98.
- Jamaica originally not included in estimates. 11 new facilities reported for FY97; 9 new facilities projected for FY98.
- Mexico originally not included in estimates. Five new facilities reported in FY97; 10 new facilities projected for FY98.
- Peru originally not included in estimates. Six new facilities in FY97; zero new facilities projected for FY98.

Result 2.3.2.2b: Improved Urban Environmental Management

Indicator: Progress toward implementation of improved urban environmental management systems.

Unit of Measure: Index composed of points awarded for completion of steps toward implementation of an environmental management system (GCC and EMS approaches).

Source: RUDO and partner reports.

Year	1996	1997	1998	1999	2000	2001	2002	2003
Target	N/A	N/A	N/A	4*	10**			
Actual								

Comments/Notes: Points are cumulative annually and across pilot cities. Index is not necessarily sequential. Index applies to both GCC and EMS models.

* 4 = 2 points for EMS phase 1 completion and 2 points for GCC phase I completion
** 10 = 6 points for completion of phase 2, part a in three pilot cities plus 4 points from 1999.

Indicator Description:
Phase 1: EMS and GCC Program Development
a. Developed general methodology and materials (1 point each for EMS/GCC).
b. Identified and trained partners in pilot cities (1 point each for EMS/GCC).
Phase 2: EMS and GCC Program Implementation
a. Identified and adopted policies at municipal level (2 points).
b. Developed local implementation plan with targets and measures (4 points).
c. Executed local implementation plan (2 points).
d. Instituted impact monitoring and feedback mechanisms (2 points).

Note: This indicator table is currently under development for use in the R4 for FYs 1999–2000. Targets for FYs 2001–2003 will be determined during the development of a new results framework for EMS and GCC activities.

Result 2.3.2.3: Strengthened In-Country Capacity to Advocate P2/CP

Indicator: In-country capacity strengthened to promote sustainability

Unit of Measure: Number of individuals that have been trained, formed P2/CP partnerships, or become champions of P2/CP concepts

Source: Country survey

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	18	2,146**						
Actual	18	3,191*							

Comments/Notes: This information reflects data supplied by EP3 country programs in Bolivia, Ecuador, Egypt, Indonesia, and Paraguay, and EP3-sponsored activities in Jamaica, Mexico, and Peru.

Figure reported for the FY96 actual represents the number of P2/CP initiatives implemented. This indicator was revised during development of the Performance Monitoring Plan to report on the number of individuals trained, those who formed partnerships, or those who became champions of P2/CP concepts.

* Reason for the discrepancy between the target and actual: when the FY97 target was set, the unit of measure was *number of initiatives.* During the data collection effort undertaken to prepare the FY97 indicator report, the unit of measurement was changed to *number of individuals*.

** EP3 program closure is formally scheduled for FY98. The ability to conduct follow-up surveys to monitor the capacity building activities that are expected to occur depends on the availability of resources and staff in-country.

Note: This table was amended on 2/25/98 to adjust Bolivia's numbers and to add information on EP3-sponsored activities in Jamaica, Mexico, and Peru.

Explanation of specific changes:

- Jamaica originally not included in estimates. 22 new individuals reported for FY97; 216 new individuals projected for FY98.
- Mexico originally not included in estimates. 46 new individuals reported for FY97; 75 new individuals projected for FY98.
- Peru originally not included in estimates. 15 new individuals reported for FY97; 10 new individuals projected for FY98.

Indicator Description for FY97: Individuals trained in a variety of P2/CP/EMS concepts (all countries); local partners strengthened through training and technical assistance provided to staff, counterparts, and consultants in Egypt (DRTPC, TIMS, FEI, EEAA), Ecuador (OIKOS), Paraguay (UIP), Bolivia (Camera, LIDEMA), Indonesia (MIOT, BAPEDAL, university professors, Sucofindo, Redecon); additional partnerships established in support of industry circles and roundtables (all countries); plants implementing P2/CP/EMS as a result of EP3 training (Bolivia, Indonesia, Egypt); change agents actively promoting P2/CP concepts (all countries); P2/CP incorporated into higher education courses (all countries); marketing strategies and plans developed for closing EP3 country office (Paraguay); study tour hosted for staff from the EP3/Egypt office and counterpart agencies (Egypt); case studies and training manuals produced, translated, and disseminated (all countries).

Annex C

Strategic Support Objective 3

SSO3 Org Chart

Annex C
IR Progress Toward Objectives

A. IR 3.1: Increased Energy Efficiency

Energy efficiency is increasingly recognized as the most cost-effective means of addressing a variety of energy, economic, and environmental problems facing developing countries. In the past, efficiency improvements have been used as means of quickly and inexpensively addressing energy supply shortfalls. With trade becoming a more important factor in developing country economic growth, energy efficiency has more recently been adopted as means of improving commercial and industrial competitiveness by reducing production costs. Now and in the future, energy efficiency is one of the primary means of addressing both local pollution as well as the threat of global climate change.

1. Performance Analysis

IR 3.1 made satisfactory progress toward achievement of most anticipated results in FY97. G/ENV trained energy planners in demand-side management and integrated resources planning in four countries: India, the Philippines, Mexico, and Brazil. Progress was made toward establishment of an energy efficiency financing mechanism in Brazil. A motor efficiency program is under way in Mexico; it has helped stimulate more than $82 million in commitments to promoting energy efficiency by the Mexican national utility and the private sector. Energy efficiency policies were promulgated with G/ENV assistance in Guatemala, the Philippines, Brazil, Indonesia, and El Salvador. The first energy efficiency NGO in West Africa was established and strengthened with IR 3.1 support. Efforts were made in the Philippines to improve building codes, establish energy efficient practices in shopping malls in metro Manila, and hold a series of workshops with a wide variety of actors to discuss problems and formulate action plans to combat transportation problems. Finally, a series of studies on the impact of power sector reform on energy efficiency and the environment were completed.

IR 3.1's single highest-level indicator is energy saved (in megawatts [MW]). The target for FY97 is 10 MW but only 4 MW of energy savings were realized. This lower figure had much to do with the nature of the work conducted in FY97 — the 4 MW is a direct result of a few technological demonstration projects, while there was not as much work with activities that had an immediate payoff in terms of megawatts. FY98 should see improvement in this direction although it might not be until FY99 when SSO3's IQC is in place that more substantial results will be achieved.

The other two important IR 3.1 indicators that “roll up” into SSO3's indicators are IR 3.1.1, Policies adopted and implemented, and IR 3.1.3, Value of public and private sector investment leveraged by G/ENV. The first indicator exceeded its target, while the latter fell substantially short of its FY97 target. On closer examination, it was determined that the FY96 baseline was incorrectly calculated to include the total amount ($80 million) of a loan that SSO3 was instrumental in developing. However, it was decided to count only the portion of the loan that has been dispersed — $2 million. Future targets were based on this overstated baseline; these have been revised downward to better reflect future targets. Since these leveraging figures roll

up into SSO3 leveraging figures, the SSO3 financing indicator has been adjusted downward as well.

The two remaining indicators — cases of efficient technologies demonstrated and improved capacity at host-country energy institutions — are performing above targets. IR 3.1 projects resulted in nine technologies demonstrated in key sectors, which exceeded the goal of two. IR 3.1 also strengthened more than 27 institutions, well exceeding the goal of 5.

Policy Interests

Much of what IR 3.1 does, particularly with our cooperators, involves working with local institutions. Under a new cooperative agreement with the National Association of State Energy Officials (NASEO), they will partner state offices with developing country regulators. Under its cooperative agreement, the Alliance to Save Energy has worked with energy and environmental NGOs as well as local governments in Ghana, India, and Russia.

IR 3.1 has played a key role in the development of the World Bank's upcoming $100 million loan for energy efficiency. It is not an exaggeration to say that this loan would not have happened had it not been for USAID support. The approval of this loan has been delayed and is expected to be approved sometime in FY99. IR 3.1 will be counting this loan as funds leveraged at that time.

2. Expected Progress (FYs 1998–2000) and Management Actions

We believe that IR 3.1's progress at its highest-level indicator will lag slightly in the next fiscal year due to delays in the implementation of G/ENV/EET's IQC mechanism. It is likely that programmatic delivery orders won't be under way until the last quarter of FY98.

As mentioned, IR 3.1's lagging indicators are the energy saved indicator and financing indicator. Both are important at the SSO level and will continue to be monitored. The design of future activities will be much more closely linked with the Results Framework and this should better ensure satisfactory results. In the past this link has not been strongly made and we have not always had results that fit within our plan.

Result IR 3.1: Increased Energy Efficiency

Indicator 1: Energy saved by adopting energy efficient technologies, practices, and policies

Unit of Measure: Megawatts

Source: IR 3.1 contractors and cooperators

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	10	12	14	16	18	20	22	112
Actual	8	4							

Indicator Description:

This indicator measures the energy saved (in megawatts) as a result of IR 3.1 interventions. This saving may be direct, such as through demonstration projects, or may be as a result of the catalytic role of IR 3.1's activities. To provide context, 1 megawatt will provide electric power to a community of about 5,000 residents in a developing country.

Comments:

This indicator fell short due to the nature of the work conducted in FY97 — the 4 MW is a direct result of a few technological demonstration projects, such as the Mexico motor rewind project — while there was not as much work with activities that had an immediate payoff in terms of megawatts.

Due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised when contracts are finalized.

Result IR 3.1.1: Energy Efficiency Technologies Adopted and Implemented

Indicator 1: Number of energy efficiency policies adopted and implemented

Unit of Measure: Number of policies

Source: G/ENV project tracking, computed on a per project basis

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	5	5	5	5	5	5	5	35
Actual	5	5							

Indicator Description:

Indicator tracks the full spectrum of national, state, and local policy reforms in which G/ENV assistance plays an instrumental role in advancing. G/ENV will track when policies are formally adopted by governmental bodies and when policies are implemented. Results to be monitored from policy reforms may include tax restructuring, reductions of fossil fuel subsidies, private power purchase agreements, passage, and enactment of energy codes and standards.

Comments:

FY97 results included: Guatemala (Electricity Law passed, Electricity Sector Regulations developed and approved, and Guatemala power sector strategy developed and accepted); Brazil (High efficiency fluorescent ballast standard adopted); and El Salvador (Support to the electricity sector regulation, now approved).

Result IR 3.1.2: Energy Efficiency Technologies Adopted and Replicated

Indicator 1: Number of cases in which efficient technologies are demonstrated and replicated in key industries

Unit of Measure: Cases

Source: G/ENV project tracking, computed on a per project basis

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	2	2	2	2	2	2	2	14
Actual	2	9							

Indicator Description:

Each energy-efficiency program will track the number of cases in which a G/ENV introduced technology is demonstrated in a key industry, and then replicated by partners. Key industries where technologies will be tracked include food processing, tanneries, lighting, and manufacturing.

Comments:

FY97 results included:
Indonesia: motors; Ahmedabad, India: water pumps, lighting, capacitors (load factor compensation); Seurat, India: capacitors (load factor compensation); India: CFL's; Mexico: motors, steam traps; Manaus, Brazil: HVAC maintenance.

Due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised when contracts are finalized.

Result IR 3.1.3: Increased Investment in Energy Efficiency

Indicator 1: Value of private and public investment leveraged by G/ENV

Unit of Measure: U.S. dollars (millions)

Source: IQC, collaborators, industry, cooperators, and stakeholders

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	85	10	10	10	10	10	10	145
Actual	$83.5*	$9.9							

Indicator Description:

Mobilizing investments and engaging partner participation in environmentally sound energy production and use are priorities for SSO3. Accordingly, this indicator monitors obligations and commitments made to environmentally sustainable energy in association with G/ENV activities at three levels:

Level I USAID Mission and Bureau funding obligated in conjunction with G/ENV activities
Level II a. External funding leveraged from partners for joint G/ENV activities
b. Funding for activities in which G/ENV developed policies, regulations, or project pre-investment
c. Obligated or committed funding for MDB loan programs
d. Financial closure for private-sector funded programs
Level III Funding generated to replicate G/ENV-pioneered programs (new obligations, commitments or financial closure)

Comments:

* The FY96 has been determined to have been incorrectly calculated to include the total amount ($80 million) of a loan that SSO3 was instrumental in developing. However, it was decided to only count the portion of the loan that has been dispersed — $2 million. Future targets were based on this overstated baseline; these have been revised downward to better reflect future targets. Since these leveraging figures roll up into SSO# leveraging figures, the SSO3 financing indicator has been adjusted downward as well.

Result IR 3.1.4: Improved Decision Making and Management by Host-Country Institutions

Indicator 1: Number of host-country institutions adopting improved operating policies, practices, or technologies

Unit of Measure: Number of electric utilities, government agencies, businesses

Source: G/ENV project tracking, computed on a per project basis

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	5	5	5	5	5	5	5	35
Actual	5	27							

Indicator Description:

As energy institutions shift from centrally planned to market economies, new tools for planning, analysis, regulation, and training are necessary to facilitate this transition. Under IR 3.1, each public or private institution receiving G/ENV assistance will define the result being pursued to strengthen its institutional capacity. To be counted under this indicator, the targeted result must be reached.

Comments:

FY97 results include the following organizations:

Philippines: (DOE, NPC, NEA, PNOC, NEDA, ERB); Mexico: (FIDE, CONAE, CMPL, IPA); India: (APSEB, AEC, AMC, SEC); Brazil: (PROCEL); Indonesia: (MME); Guatemala: (MEM, NEC, INDE, EEGSA); El Salvador: (CEL, SIGET, CAESS, ORIENTE, DELSUR, CLESA); Nicaragua: (INE).

Due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised when contracts are finalized.

B. IR 3.2: Increased Use of Renewable Energy Resources

In all parts of the world, renewable energy and energy efficiency technologies provide solutions to a multitude of energy supply and demand challenges. Quality of life is improved dramatically through increased access to non-polluting sources of energy. Renewable energy is generated with indigenous resources. By harvesting renewable resources, countries can minimize the need to import fuels or extract fossil fuels and enhance economic and energy independence. The production, implementation, operation, and maintenance of renewable energy applications are labor-intensive, resulting in job growth for both U.S. and host-country partners. Systems in place in more than 150,000 villages worldwide demonstrate that renewables are often the least-cost energy option for a broad range of applications and sites. Finally, the technologies are scalable from projects with a few watts of capacity to utility-scale power. This means that generating capacity can be added as demand grows, avoiding the risks associated with long-term planning of large, centralized generating plants.

USAID believes that the current availability of competitive renewable energy technologies justifies an Agency focus on accelerating the penetration of those technologies into the marketplace of host countries. Historically, the dominance of particular fuels has created strong institutional biases that serve as constraints to adoption of newer technologies. Much of the Center's program is directed at overcoming those institutional questions.

1. Performance Analysis

IR 3.2 met and exceeded the targets of its two top-level indicators — megawatts (MW) of grid-connected generation capacity and number of off-grid small-scale systems. The first was met (85.2 MW of installed capacity against a target of 80 MW), and the second was exceeded significantly (12,500 systems against a target of 4,000). The latter was a surprise to the IR 3.2 team, because programs in two countries where most of the target was expected to be satisfied had been delayed all through the year. The gap was more than made up by spin-off results of other programs.

Among the most satisfying results were those for one of the IR's sub-results, Financing Made Available. This refers to capital that has been set aside by financing institutions specifically for renewable energy. G/ENV/EET has been assisting the multilateral development banks in the preparation of loan packages for several years, and much of this work came to fruition in FY97 when the board of directors of the World Bank and the International Finance Corporation (IFC) approved loan and investments funds totaling more than $300 million for renewable energy in Indonesia, Sri Lanka, India, Mexico, and Namibia.

G/ENV/EET wishes to cite a “cumulative” success by noting that FY97 was the last year of core support for the Environmental Enterprises Assistance Fund (EEAF), a non-profit investment company that makes loan or equity investments in environmentally beneficial businesses or projects. G/ENV/EET provided EEAF with start-up funding in FY90 and continued core support until this past year, at which point EEAF had sufficient revenue to allow it to “graduate” from USAID. Since its inception, EEAF has successfully raised a total of $13 million for investment in environmental businesses, of which $8.6 million has been drawn down and $6.2 million committed to 27 investments. In FY98, its first year free of such core support, EEAF anticipates

revenues of $940,000, none of which is core USAID support but includes interest income and advisory fee income from earlier investments.

2. Expected Progress (FYs 1998–2000) and Management Actions

Expected progress is favorable and in line with the Results Framework. It is anticipated that, in general, the proposed out-year targets will be met; the economic and monetary crisis presently being experienced in Indonesia may effect a drop or change in expected results, particularly, IR 3.2 indicator 2. The IR 3.2 program is developing a broader array of contractors and cooperators through various contractual instruments, such as the newly awarded Energy IQC and the National Renewable Energy Laboratory, among others.

Result IR 3.2: Increased Use of Renewable Energy

Indicator A: Newly installed capacity on-grid

Unit of Measure: Megawatts (MW)

Source: Collaborators, cooperators, and stakeholders

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	80	85	90	95	100	105	110	665
Actual	49*	85.2							

Indicator Description:

This indicator measures the capacity (in megawatts) of new generation facilities using renewable energy that come on line, providing electricity to national or regional utility grids, as a result of the catalytic role IR 3.2's activities are playing. To provide context, 1 MW will provide electric power to a community of about 5,000 residents in a developing country.

Comments:

* The data given last year for 1996 have been revised downward. A cooperator reported in fall 1997 that they had mistakenly reported generation facilities having gone online earlier than had occurred. Based on this new and lower "baseline," the IR 3.2 team has reduced its targets for 1997–2003.

Result IR 3.2: Increased Renewable Energy Production

Indicator B: Newly installed systems off-grid

Unit of Measure: The number of households, businesses, and service centers (health clinics, schools, etc.) that benefit from the small-scale energy systems.

Source: Collaborators, cooperators, and stakeholders

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	4,000	8,000	16,000	30,000	50,000	75,000	100,000	284,530
Actual	1,530	12,500*							

Indicator Description:

Definition: Small renewable energy systems, not connected to the utility grid, provide energy services (electricity, heat, etc.) or other services for which energy is a necessary intermediary (such as water that needs to be pumped other than by animal power) to households, enterprises, telecommunications facilities, and social service centers (health clinics, schools, etc.).

Comments:

Much of these future targets are based on IR 3.2 support of the development of the Indonesian Solar Home Systems loan by the World Bank. With the recent economic crisis in Asia, which has hit Indonesia severely, this project has been placed on hold. It will be reviewed again at a later date to determine if the project should move forward.

* Target was exceeded due to a large project realized after many years of assistance. Limited baseline information, on which targets were based, also constrained target setting. As the data collection process improves, targets may be revised. In addition, due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised when contracts or cooperator agreements are finalized.

Result IR 3.2.1: Renewable Energy Policies Adopted and Implemented

Indicator A: Number of policies or regulations adopted and implemented that are clearly favorable to renewable energy

Unit of Measure: Actual number of policies or sets of regulations adopted and implemented

Source: G/ENV project tracking

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	2	4	4	4	4	4	4	26
Actual	0	17*							

Indicator Description:

This indicator tracks the national, state, and local policy or regulatory reforms that IR 3.2 plays an instrumental role in advancing. IR 3.2 will track when policies or regulations are formally adopted by governmental bodies and when those policies or regulations are implemented. Results to be monitored may include incentives adopted, subsidies for fossil fuels reduced or eliminated, and improved access laws for renewable energy resources.

Comments:

Targets revised upward due to overwhelming success of FY97. Earlier estimates were too conservative due to lack of baseline information.

* Limited baseline information, on which targets were based, constrained target setting. As the data collection process improves, targets may be revised. In addition, due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised when contracts or cooperator agreements are finalized.

Result IR 3.2.2: Business Entities Mobilized for Renewable Energy

Indicator A: Businesses investing and joint ventures formed

Unit of Measure: Actual number of businesses initiating new or more active pursuit of specific projects, and new joint ventures formed (with specific promotion of U.S.-host-country private sector partnerships) to do so.

Source: G/ENV project tracking

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	9	12	15	15	20	20	25	122
Actual	8	28							

Indicator Description:

This indicator tracks the number of businesses that, as a result of assistance funded by IR 3.2, decide to pursue or increase the pursuit of developing specific renewable energy projects. In addition, new businesses or joint ventures that are newly formed with or as a result of IR 3.2 activity, with subsequent activity in pursuit of projects, will be counted.

Comments:

* Limited baseline information, on which targets were based, constrained target setting. As the data collection process improves, targets may be revised. In addition, due to current transitions between contractual vehicles, targets for 1998 and beyond may be revised when contracts or cooperator agreements are finalized.

Result IR 3.2.3: Increased Financial Commitments to Renewable Energy

Indicator A: New financing explicitly made available for, or committed to, renewable energy projects by the private or public sector

Unit of Measure: U.S. dollars (million)

Source: G/ENV project tracking

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	375	150	175	200	225	250	275	1,700
Actual	$50	$386.4							

Indicator Description:

This indicator tracks three categories of serious financial commitments that are made for renewable energy projects, prior to construction or installation of functioning hardware: (a) approval of loan packages dedicated to renewable energy by the multilateral development banks (public sector), (b) financial closure on specific projects by the private sector (which may include financing from private banks), and (c) obligation of financing for renewable energy technologies by non-MDB public sector entities. The intention of this indicator is to capture serious signals of intermediate success in mobilizing financing for investment. When systems subsequently are constructed or installed and are operating, then the data is reflected in the top-level indicators for IR 3.2.

Comments:

Result IR 3.2.4: Host-Country Non-Profit Institutions Established or Strengthened

Indicator A: Number of host-country institutions (E) established and (S) significantly strengthened for the purpose of promoting renewable energy

Unit of Measure: Actual number of public sector or non-profit NGOs established or strengthened (including on-going strengthening, and thus institutions counted more than once)

Source: G/ENV project tracking

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	Baseline	(E) 1 (S) 6	(E) 1 (S) 7	(E) 2 (S) 8	(E) 1 (S) 9	(E) 1 (S) 10	(E) 1 (S) 12	(E) 1 (S) 14	(E) 9 (S) 40
Actual	(E) 4 (S) 8	(E) 2 (S) 15							

Indicator Description:

This indicator tracks new institutions established (for instance, a Renewable Energy Project Support Office) or existing institutions strengthened (by provision of direct funding, technical assistance, or training) explicitly for the purpose of promoting renewable energy.

Comments:

C. IR 3.3: Cleaner Energy Production and Use

World demand for energy services is being propelled by population growth, industrialization, and urbanization. As the rate of growth of energy production and use increases, so will pollution unless steps are taken to mitigate the negative environmental impacts. Renewable energy sources and energy efficiency measures offer two options for averting some environmental impacts of fossil fuel production and use, but projections show that fossil fuels will continue to be the main sources of energy worldwide for the next century or two. Adoption of cleaner, sustainable, and innovative technologies will be the likely path that countries will take to reduce pollution associated with fossil fuels. These technical solutions will need to be coupled with appropriate policy frameworks, economic incentives, viable public and private institutions, adequate human resource capabilities, and capital investments.

1. Performance Analysis

In FY97, IR 3.3 did not have access to a contracting vehicle. Therefore, our ability to achieve expected results was severely hampered. In fact, the only programmatic activity for IR 3.3 was under an extension of a previously existing contract, which wrapped up projects carried over into FY97. The limited scope of results achieved during the extension period are discussed here.

Two IR 3.3 activities were maintained in FY97: one deploying advanced combustion technology at the Manzanillo power plant in Mexico and the other establishing purchase agreements for coal washeries with the Ministry of Coal in India.

IR 3.3 Indicator 1: GHG Emissions Avoided, as a good proxy for the environmental benefits achieved by cleaner energy production and use, captured results achieved at the Manzanillo power plant. USAID investment facilitated the adoption and installation of an advanced emissions reduction and combustion activity called REACH, which directly resulted in 2,350 metric tons of GHG emissions avoided. Manzanillo, a 1,900-MW oil-fired plant, produces 10 percent of Mexico's electrical capacity and generated high plumes of particulate-filled smoke visible to local communities miles away. Following installation, plant officials noted dramatic results in improved combustion efficiency and air quality. As this indicator was not expected to be applicable in FY97, achieving this modest reduction exceeded expectations.

Under *IR 3.3.3 Indicator 2: Increased Investment in Cleaner Energy*, G/ENV/EET's development of model contracts for coal washeries, the Ministry of Coal in India was able to move forward with more than $100 million in actual investment plans for these facilities. This investment will result in cleaner coal entering power plants and thus provide for cleaner combustion and reducing GCC gas emissions. Quantitative results are hard to estimate at this time since the technology for coal washing has not been selected yet and further investments are being currently made. Again, as this indicator was not expected to be applicable in FY97, catalyzing this increased investment exceeded expectations.

Four institutions were part of the results under *IR 3.3.4 Indicator 1: Number of Host-Country Institutions Strengthened*. As mentioned above, IR 3.3 played a critical role in strengthening the Ministry of Coal in India. With model contracts for coal washeries in India developed, the Ministry of Coal has been able to establish investment plans, mobilize funds, introduce cleaner technologies, and contribute to the mitigation of GCC. Two municipal governments were also strengthened in São Paolo and Mexico City. In São Paolo, IR 3.3 supported USAID/Brazil in preparing a characterization of landfill sites in Brazil for landfill gas recovery. This work subsequently enabled EPA to develop a number of feasibility studies on these sites (involving both U.S. and Brazilian firms) that may lead to future development work. IR 3.3 also examined the extent of leaching in Mexico City's Prados de la Montana landfill, which led to an EPA feasibility assessment for gas utilization. Finally, the IIE (Instituto de Investigaciones Electricas), was supported in connection with the REACH technology in Mexico.

2. Expected Progress (FYs 1998–2000) and Management Actions

The IR 3.3 progress will resume in a meaningful way at the end of FY98, when the Energy IQC mechanism will have produced a contracted programmatic tool. In particular, tasks will be developed for work in Mexico and India, highly focused on GCC activities. It is expected that new initiatives in Africa — Malawi and the SADC (Southern

Africa Development Community) countries in particular — will be undertaken and start implementation by the end of FY98. New initiatives will be undertaken in India (converting the Indian two-stroke engine rickshaws to compressed natural gas [CNG]) and in Brazil (a program looking at the delivery of energy services to remote villages).

Concrete results consistent with the appropriate indicators are not expected before the end of FY99; at that time some significant achievements are expected.

On the management side, it is expected that at least one full-time person will join the IR 3.3 team and strengthen not only the day-to-day management of the field work but also strengthen the ability to maintain better working relations with the appropriate Missions and Bureaus.

Result IR 3.3: Increased Cleaner Energy Production and Use

Indicator 1: GHG Emissions Avoided — (D) direct, (C) catalyzed by partners

Unit of Measure: Metric tons of appropriate GHG

Source: Private sector sources, IQC, host-country industries and utilities

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	0 **	(D) 2,000 (C) 3,000	(D) 2,000 (C) 3,000	(D) 3,000 (C) 4,500	(D) 3,000 (C) 4,500	(D) 4,000 (C) 6,000	(D) 14,000 (C) 21,000
Actual	(D) 2,350 (C) N/A	(D) 2,350 (C) N/A							

Indicator Description:

Tracking IR 3.3's contributions to GHG emissions avoided relies on two separate measures to capture the direct and indirect results. While it is impossible to accurately insure GHG emissions, the indicator is a good proxy for the environmental soundness of G/ENV's programs. GHG emissions from fossil fuel generation (including refining and conversion), transmission, distribution, and end use.

Avoided GHG emissions that fall within G/ENV's manageable interests are measured in two ways: (D) emissions avoided by USAID-funded or directly assisted activities, and (C) emissions avoided by projects USAID has catalyzed.

The direct targets are based on experience gained through such activities as the Manzanillo power plant retrofit and coal Washeries Purchase Agreements. These targets reflect both the time lag involved in demonstrating and replicating investments and the normal bureaucratic process entailed in legislative policy changes. Baseline targets are realistic in light of the gap between initial activities and actual results.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

** 0.00 is targeted because IR 3.3 will not have any projects up and running in FY98 long enough to affect a change in the indicator, i.e., to realize results.

The 2,350 tons of GHG emissions avoided were a result of deploying advanced combustion technology at the Manzanillo power plant in Mexico. The Manzanillo power plant has ordered additional equipment from the U.S. in order to further evaluate the possibility of introducing the REACH technology at other plants in Mexico.

Source: Independent measurements by Salt River Project (SRP) and CFE; final project report.

Result IR 3.3: Increased Cleaner Energy Production and Use

Indicator 2: Number of cleaner energy activities initiated by the private sector

Unit of Measure: Number of activities

Source: IQC, collaborators, industry, cooperators, and stakeholders

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	2	2	2	3	3	3	15
Actual	2	N/A							

Indicator Description:

This is a “catch-all” indicator allowing the evaluation of any significant direct and indirect activity contributing to IR 3.3. It is also a qualitative indicator to recognize the time lags between the beginning of a project and its actual contribution to environmental improvement. For example, if a new coal plant using advanced coal combustion techniques is started in 1999, it may be a full five years before generation begins. Yet, those activities are a result of G/ENV's work and will ultimately contribute to reduced GHG emissions. Other examples include the coal washeries purchase agreements (ETIP) which were carried out in 1995, resulted in formation of on-the-ground projects in 1997, which will be in operation by 1999.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

Result IR 3.3: Increased Cleaner Energy Production and Use

Indicator 3: Estimated reduction in emissions of local pollutants

Unit of Measure: Metric tons of pollutant avoided or abated of particulate matter (PM) and SO2

Source: Private sector collaborators, market data, IQC

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	PM 700 SO2 TBD	PM 1500 SO2 TBD	PM 1500 SO2 TBD	PM 1900 SO2 TBD	PM 1900 SO2 TBD	PM 2300 SO2 TBD	PM 9800 SO2 TBD
Actual	PM 0 SO2 0	see below **							

Indicator Description:

Based on the number of demonstration projects initiated, adopted, and replicated, this indicator will measure the amount of air, soil, and water pollution reduced or averted. All clean energy activities result in reducing or averting conventional pollutants such as particulate matter, sulfur dioxide, nitrous oxides, and ozone if for no other reason than more efficient technologies require less energy input per unit of output and thus every BTU of energy output results in less pollution, including GHG.

Note that a target has not yet been chosen for sulfur dioxide (SO2). This stems from the fact that fuel and combustion characteristics are important determinants of SO2 emissions and in the absence of concrete activities with their associated fuel and combustion characteristics it would be difficult to determine SO2 targets. Once these activities have been more closely identified, a target for SO2 emissions reductions will be determined.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

** Over 30% reduction in NOx (from 340 ppm to 225 ppm) and 60% reduction in PM (from 320 to 120 mg/nm3). This is a major reduction in the elimination of the power plant (one unit of six total units) plume capacity in the Manzanillo, Mexico plant.

Result IR 3.3.1:	Increased Cleaner Energy Policies Adopted and Implemented
Indicator 1:	Number of cleaner energy policies (A) adopted and (I) implemented
Unit of Measure:	Number of policies
Source:	G/ENV project tracking

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	0	1	1	1	2	2	7
Actual	1	1							

Indicator Description:

Indicator tracks the full spectrum of national, state, and local policy reforms in which IR 3.3 plays an instrumental role in advancing. IR 3.3 will track when policies are formally adopted by governmental bodies and when policies are implemented. Results to be monitored from policy reforms may include economic incentives for adoption of cleaner energy or implementation of pollution codes and standards.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

Results realized in FY97 due to IR 3.3 assistance included:

Ministry of Coal in India implemented the utilization of uniform, acceptable model contracts for coal washeries.

Result IR 3.3.2:	Cleaner Energy Technologies Adopted and Replicated
Indicator 1:	Number of cases in which cleaner energy technologies are (D) demonstrated and (R) replicated in key sectors
Unit of Measure:	Number of cases
Source:	GENV project tracking, computed on a per project basis

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	(D) 1 (R) 1	(D) 1 (R) 2	(D) 2 (R) 2	(D) 2 (R) 4	(D) 3 (R) 4	(D) 3 (R) 6	(D) 12 (R) 19
Actual	(D) 1 (R) 0	N/A							

Indicator Description:

Each cleaner energy program will track the number of cases in which a G/ENV-introduced technology is demonstrated in a key sector, and then replicated by partners. Key sectors where technology will be tracked include power generation, transportation, and methane utilization.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

Result IR 3.3.3:	Increased Investment in Cleaner Energy
Indicator 1:	Number of partnerships between U.S. and host-country businesses brokered
Unit of Measure:	Number of partnerships
Source:	Private sector collaborators, market data, IQC

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	3	1	1	2	2	3	11
Actual	2	1							

Indicator Description:

Engaging the private sector in cleaner energy production and use will require U.S. and host-country partnerships for financial resources and technical assistance to be transferred to key country institutions. This indicator will track the number of partnerships between these entities that are successfully brokered by G/ENV.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

A partnership was established between Electric Power Technologies (EPT), the holders of the REACH license worldwide, and the Mexican national utility, CFE. Currently EPT and CFE are working jointly on the evaluation of options to introduce REACH into new power plant units in Mexico.

Result IR 3.3.3:	Increased Investment in Cleaner Energy
Indicator 2:	Value of private and public investment leveraged by G/ENV
Unit of Measure:	U.S. dollars (millions)
Source:	IQC, collaborators, industry, cooperators, and stakeholders

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	5	10	10	15	15	20	75
Actual	23.3	100.0							

Indicator Description:

Mobilizing investments and engaging partner participation, especially the private sector, in cleaner energy production and use is the highest result IR 3.3 is pursuing. Strong private sector collaboration bodes well for the sustainability of G/ENV's programs, since cleaner energy provision is a highly commercial activity. Only private capital markets can command the financial resources needed to increase world energy supply to meet the growing demand, and only the incentives that drive private sector profitability can help ensure cleaner energy.

Monitoring of private investment (and if appropriate public counter investments) may include equity, stock exchange and conventional investment instruments.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

Results realized in FY97 due to IR 3.3 assistance to the Ministry of Coal in India to develop model Purchase Agreements for coal washeries:

$70 million leveraged:
Indu-US-Coal, Ltd.
8 million ton coal washery
Orissa, Andhra Pradesh
Vizig Power Plant

$30 million leveraged:
ST-BSES
2.5 million ton coal washery
Madhya Pradesh

Unknown $$ leveraged:
Hinduja Power
Build-Own-Operate coal washery

Result IR 3.3.4:	Improved Decision Making and Management by Host-Country Institutions
Indicator 1:	Number of host-country institutions strengthened
Unit of Measure:	Number of electric utilities, government agencies, businesses
Source:	G/ENV project tracking, computed on a per project basis

Year	1996	1997	1998	1999	2000	2001	2002	2003	Total
Target	baseline	N/A*	2	2	2	3	3	4	16
Actual	2	4							

Indicator Description:

As energy institutions shift from centrally planned to market economies, new tools for planning, analysis, regulation, and training are necessary to facilitate this transition. Under IR 3.3, each public or private institution receiving G/ENV assistance will define the result being pursued to strengthen its institutional capacity. To be counted under this indicator, the targeted result must be reached.

Comments:

* N/A is used because the IR team did not have any active projects in FY97 that would have materially contributed to this and other targets. This was due to a lack of contract vehicle for FY97.

Results realized in FY97 due to IR 3.3 assistance included the following institutions strengthened:

Ministry of Coal — India
Developed uniform, acceptable model contracts between coal producers & washeries, and washeries & coal purchasers

São Paolo Municipal Government
Supported USAID/Brazil in preparing a characterization of landfill sites in Brazil for landfill gas recovery. This work subsequently enabled EPA to develop a number of feasibility studies on these sites (involving both US and Brazilian firms) that may lead to future development work.

Mexico City Municipal Government
Examined the extent of leaching in Mexico City's Prados de la Montana landfill, which led to an EPA feasibility assessment for gas utilization.

IIE (Instituto de Investigaciones Electricas)
Assisted IIE in becoming familiar with the REACH technology, testing and evaluation procedures and becoming ready to support the REACH technology at the Mexican national electric utility, the Commission de Electricidad Federal (CFE), once it is disseminated. REACH is a U.S. developed combustion equipment that increases burner efficiency, thereby improving power plant efficiency and reducing emissions.

CENTER FOR ENVIRONMENT

RESOURCE REQUEST
FY 2000

APRIL 1997

CENTER FOR ENVIRONMENT - FY 2000 RESOURCE REQUEST

1. FINANCIAL PLAN

The G/ENV program budget request for each of its three original Strategic Support Objectives (SSOs) is in accordance with its management contract with the Global Bureau. For the new Special Support Objective of Global Climate Change, the Center is requesting $6 million for FY 2000. This is not covered by last year's management contract as it is a new Special Support Objective. Below is a brief discussion of the program budget request by SSO.

A. SSO1: Increased and Improved Protection and Sustainable Use of Natural Resources

For SSO1, the Center is requesting $10 million in Development Assistance funds for FY 2000. This is based on an eight-year management contract level of $80 million with a projected total allowance of $50 million for Years One (FY 1996) though Five (FY 2000) of the management contract timeline (1995-2003). Out-years (FY 2001-FY 2003) are projected at a level of $10 million per year.

The estimated budget pipeline at the end of FY 1998 represents 60.8% of the FY 1999 Operating Year Budget (OYB). The percentage is projected to decrease significantly to 40.8% by the end of FY 1999. The percentage of the SSO's projected FY 1999 OYB expected to be funnelled through PVOs/NGOs is 48%.

B. SSO2: Improved Management of Urbanization in Targeted Areas

(1) Development Assistance Level

For SSO2, the Center is requesting $9 million for FY 2000. This is based on the average-per-year management contract amount of $9 million ($72 million total over eight years). However, the projected total allowance for Years One (FY 1996) through Five (FY 2000) of the management contract timeline (1995-2003) is significantly below target: the projected total is $36.089 million which is only 47% of the eight-year management contract whereas, after five years, the total allowed should be $45 million or 62% of the contract total. Therefore, out-years (FY 2001-FY 2003) are projected at a level of $12.64 million per year.

The requested level of $9 million for FY 2000 is an increase of $2 million over the FY 1999 projected level. This $2 million was requested for FY 1999 for "Making Cities Work" (MCW), but was not included in the final projected level. MCW is an initiative launched by the Administrator to integrate an urban perspective into USAID's overall programming. This initiative will complement a number of other important USAID initiatives including the Global

Climate Change (GCC) Initiative, the commitment of USAID to increase assistance funding through Non-Governmental and Private Voluntary Organizations, and the commitment of the Agency to develop better working relations with the U.S. Private Sector (Public-Private Partnerships). Of this $2 million requested above the FY 1999 projected level, 50% will be funded through NGOs/PVOs for GCC-related activities, and 50% will be used for building alliances with other organizations to achieve jointly agreed upon goals.

The estimated budget pipeline at the end of FY 1998 represents 41% of the FY 1999 OYB. The percentage is projected to decrease to 26.5% by the end of FY 1999. The percentage of the SSO's projected FY 1999 OYB expected to be funnelled through PVOs/NGOs is 44%.

(2) Urban and Environment Credit Program Subsidy Levels

Please refer to Annex A for the discussion of subsidy levels.

C. SSO3: Increased Environmentally Sustainable Energy Production and Use

For SSO3, the Center is requesting $18 million for FY 2000. This is based on the average-per-year management contract amount of $18 million ($144 million total over eight years). However, the projected total allowance for Years One (FY 1996) through Five (FY 2000) of the management contract timeline (1995-2003) is significantly below target: the projected total is $78.3 million which is only 54% of the eight-year management contract whereas, after five years, the total allowed should be $90 million or 62% of the contract total. Therefore, out-years (FY 2001-FY 2003) are projected at a level of $21.9 million per year.

The estimated budget pipeline at the end of FY 1998 represents 89% of the FY 1999 Operating Year Budget. The percentage is projected to decrease significantly to 44.6% by the end of FY 1999. The percentage of the SSO's projected FY 1999 OYB expected to be funnelled through PVOs/NGOs is 47%.

D. Special Support Objective: Global Climate Change Initiative

For the Center's Special Support Objective of Global Climate Change (GCC), the Center is requesting $6 million for FY 2000. This is an increase of $3.862 million over the FY 1999 request of $2.138 million. In this year's management contract update, the Center

will be requesting a multi-year (FY 1998 through FY 2003) target amount of $26.138 million. The annual baseline level amount[1] of $2.138 million will be used for (1) the mandated Interagency Task Force ($1.7 million) and (2) the costs for the four RSSAs requested for FY 1999. The additional $3.862 million requested will be used to structure (1) a Global Climate Change Incentive Fund and (2) Global Environmental Partnerships. These activities are critical for a number of reasons:

(1) Incentive Fund ($1.5 million)

(a) We are concerned that the regional bureaus may fall short of the amount necessary for USAID to meet the $1 billion commitment for the Climate Change Initiative announced worldwide by President Clinton on June 27, 1997 at the United Nations. The Incentive Fund will provide technical assistance and cost-share funding to the field missions to ensure that they meet their GCC targets;

(b) There are a number of missions in critical GCC countries that are targeted for close-out over the next several years. Because these missions are in the process of closing-out, they are unable to manage any new activities, including GCC-related activities. The Incentive Fund will assist the regional bureaus in developing and implementing activities for the critical, but close-out, GCC countries such as Poland and Indonesia; and

(2) Partnership Program ($2.4 million)

(a) In cooperation with US private industry, the Partnership Program will fund a range of activities focussed on GCC projects in key countries. The Partnership Program will be the centerpiece of the Agency's outreach for the Global Climate Change Initiative. Without the support of the private sector, there is no possibility that the GCC Initiative will succeed in the long-term. Therefore, this activity is vital to the realization of the Kyoto Protocol on Climate Change, which is an important element of President Clinton's foreign policy agenda.

It is estimated that approximately 50% of the requested increase will be channelled through various NGOs/PVOs.

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[1]The Management Contract does not actually establish a baseline amount so we are using the FY 1999 projected level as the baseline.

2. PRIORITIZATION OF OBJECTIVES

A. Prioritization

In last year's management contract with the Global Bureau, the Bureau indicated that the absence of prioritization of objectives by the Center did not provide the Bureau with adequate information for making resource allocation decisions. During the past year the Center has considered prioritizing its SSOs, but this process has instead re-emphasized the difficulty of doing so. Each of our SSOs is essential to completing our strategic plan; we could not eliminate any one of our objectives without seriously compromising our strategic plan.

More specifically, the Environment Center must apply a cross-cutting and integrated development approach to environmental issues if it is to continue to responsibly serve bureaus and missions. There is no other approach that would enable the Center to meet the Strategic Plan for International Affairs (SPIA) objective of "Securing a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation". Likewise, this approach is necessary for the Center to realize the USAID objective of protecting the world's environment for long-term sustainability.

Therefore, G/ENV places equal priority on each of its objectives. We would be neglecting our responsibility and mandate by doing otherwise.

B. Program Performance

Program performance is fairly even across objectives with some variation in that SSO3 "Increased Environmentally Sustainable Energy Production and Use" exceeded most of their targets. Generally, all objectives are at the very least meeting their targets. Each has encountered some difficulty in implementation which, in the past, has been and, in the future, will continue to be surmounted by adjustment in tactics. In short, we find no basis for classifying one objective as performing better than another in the medium- to long-term.

If we were forced to curtail activities due to funding constraints, we would do so proportionally across each SSO excepting Congressional earmarks and Agency initiatives. Specific decisions as to what activities to curtail would be the responsibility of the SSO team.

3. LINKAGES WITH CENTRALLY-FUNDED MECHANISMS

N/A

4. WORKFORCE, TRAINING, OE AND CREDIT ADMINISTRATION EXPENSES

Below is a discussion supporting the various Workforce, OE, and Credit Administration Expenses Charts.

A. Workforce

For the end of FY 1998, G/ENV is on-target with a level of 30 USDHs on-board[2]. In addition to the Agency Operating Expense-funded USDHs (which show up on the charts under the line item entitled "U.S. Direct Hire"), G/ENV has another 15 USDHs that are funded by the Urban and Environment Credit Program (UE Program) Administrative Expense Account (which show up on the charts under the line item entitled "Other U.S. Citizens - Program"). The number of UE Program-funded USDHs (15) remains constant for all charts (FY 1998-FY 2001).

For the end-of FY 1999 levels, the chart illustrates that G/ENV is again exactly on-target for both its target level and its request level. This is again true for the FY 2000 levels. In FY 1999, there is, however, an addition of two program-funded USDHs for the Special Objective of Global Climate Change. This remains constant for all out years (FY 2000 and FY 2001).

For the FY 2001 request, the Center for Environment is requesting an additional direct hire over the FY 2000 on-board target level bringing the total from 30 USDHs to 31 USDHs. This increase is critical if the Center is to continue to be a technical leader in international sustainable environment development issues. The Center needs to have a wide-ranging variety of professional expertise on-hand if it is to continue to respond to the growing number of environmental problems and issues facing the world. Therefore, the extra positions is for a physical scientist under the Support Strategic Objective of "Increased Environmentally Sustainable Energy Production and Use".

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[2]The on-board target level is actually set at 29 USDHs. However, the Center has one position that is under the "job-share" program (2 USDHs sharing one position) so two of the persons listed as "on-board" are actually only sharing one position. This is true for all years (FY 1998 through FY 2001).

B. Training

The Center is requesting $75,000 be reserved in FY 2000 for various types of training activities for Center staff. USAID supports staff environmental training to ensure that personnel have the technical ability necessary to achieve USAID's environmental objectives. Such ability will enable staff to successfully develop, direct, monitor and evaluate their portfolio of programs and projects.

Training will be focused and technical, as well as cross-cutting and multi-sectoral. The most requested training topics are: environmental compliance and assessment, issues relating to global climate change, environmental economics, sustainable natural resources and policy analysis. Staff have requested that training occur during the summer whenever possible.

C. Operating Expenses and Operating Expense Transfer Authority

For FY 1999, G/ENV will meet its target OE level of $76,700. This is in addition to $370,000 we are requesting to be transferred under the Center's authority to use program funds for operating expenses. Please seen Table A below for a breakdown of transfer funds by use.

TABLE A: FY 1999 TRANSFER AUTHORITY FUNDS

USE	**AMOUNT (in $000s)**
TRAVEL-RELATED COSTS	$125.00
2 GCC USDHs (all personnel costs)	$170.00
GCC-RELATED TRAVEL	$ 75.00
TOTAL REQUEST	**$370.00**

For FY 2000, G/ENV is only requesting its target Operating Expenses level of $76,700. Again, this is in addition to a request for $405,200 in transfer authority. Please see Table B below for a breakdown of transfer funds by use.

TABLE B: FY 2000 TRANSFER AUTHORITY FUNDS

USE	**AMOUNT (in $000s)**
TRAVEL-RELATED COSTS	$150.00
2 GCC USDHs (all personnel costs)	$180.20
GCC-RELATED TRAVEL	$ 75.00
TOTAL REQUEST	**$405.20**

D. Credit Administration Expenses

Please see Annex B for a detailed discussion of the Credit Administration Expenses related to the Urban and Environment Credit Program.

ANNEX A: Urban and Environment Credit Program Subsidy Levels

The Center is requesting $10 million in Urban and Environment Credit Program (UE Program) subsidy levels. This is an increase of $4 million over the projected FY 1999 level of $6 million. This is in addition to the UE Program Administrative Expense request of $6.25 million which is presented in Annex B.

This requested increase in UE Program subsidy levels is justified on the following four premises:

(a) The post-credit reform portfolio has an overall approved Life of Program amount of $740.0 million. Due to the unsustainably low subsidy levels authorized in FYs 1996, 1997, and 1998, only $535.9 million will have been authorized as of the end of FY 1998. This leaves a mortgage of $204.1 million. This amount does not include any new programs -- only mortgages on outstanding programs, all of which (excluding two of the South Africa UE Programs) were authorized before FY 1996. Each UE Program operates on a schedule agreed to by USAID and the borrower at the time of the Program signing. This schedule, while not a financial commitment, is a programmatic commitment to implement and complete a development activity in a certain country or region over a specific time period. Without the $10 million in subsidy for FY 2000, the Center will not be able to meet many of its outstanding programmatic commitments. In the past this has resulted in a souring of relations between the U.S. and host-country governments. Please see Table A below for information on countries that may be affected.

An additional related complication is that the Missions often use this schedule to plan for future Development Assistance funding needs (since the Missions almost always contribute DA funds for Technical Assistance programs in support of the UE Program). Missions also plan their results packages based on planned UE Program authorizations. Without the requested $10 million in subsidy for FY 2000, the missions may fall short of their targets in the outyears.

(b) The second rationale for increasing UE Program subsidy levels is that the UE Program has a high ratio of beneficiaries to money spent. The requested $10 million of subsidy will leverage an estimated 299,203 beneficiaries. Please see Table A for more detailed information.

TABLE A: UE Program Mortgages

COUNTRY	**Mortgage - As of April 1997**	**FY 1999 Level ($6m) Projected to be Authorized**	**FY 2000 Requested Level ($10m) Projected to be Authorized**	**FY 2000 Estimated Benific.**
Czech Republic	$8.0m	$8.0m	-	-
India	$61.0m	$10.0m	$14.0m	129,870
Indonesia	$25.0m	$15.0m	$10.0m	112,000
Morocco	$35.0m	$9.0m	$10.0m	7,003
South Africa	$35.1m	$20.0m	$15.0m	9,830
Sri Lanka	$25.0m	-	-	-
Zimbabwe	$15.0m	$5.0m	$10.0m	37,500
TOTAL	**$204.1m**	**$67.0m**	**$59.0m[3]**	**299,203**

c) The third rationale for increasing the UE Program subsidy level is that during the past year the Administrator has expressed his strong support of having credit programs as part of USAID's development toolkit. Until the Center for Environment meets its obligations to its current mortgage levels, the Center will be unable to begin developing new UE Programs to target current and future development issues. For example, in Latin America, there is a desperate need for innovative programs to address the lack of funding for municipality-driven environmental improvement projects such as wastewater treatment. The UE Program can provide the impetus needed to interest the local private sector in financing these types of activities -- grant monies usually cannot. If the Agency is going to be able to influence host-country governments and the private sector to adapt and implement environmentally-sound policies, the Center will need to begin to develop new UE Programs. We cannot do this if UE Program subsidies do not begin to increase in the very near future. The requested $10 million level will allow the Center to begin

[3]An additional $5 million would be projected to be authorized in FY 2000 for a new UE Program in Latin America bringing the total authorization amount to $64 million. The total authorization amount of $64 million for FY 2000 is lower than the projected authorization amount of $67 million for FY 1999 because of the variance in country credit ratings.

developing a modest UE Program in Latin America in FY 2000.

(d) The final rationale for the requested increase in UE Program subsidy is that, over the past year, the Agency has made huge leaps in its ability to properly and prudently manage credit programs, and the Agency plans to continue this work until USAID is seen as the model for good credit management practices throughout the government. The Environment Center has played an important role in this transformation and plans to continue to do so. In previous years, cuts in UE Program subsidy levels were, in-part, justified on the basis that USAID was not properly managing its outstanding loan portfolio. With the improvements that are now well-underway, it is time to begin to move towards higher subsidy levels which -- for a small increase in funding -- can leverage significantly increased assistance levels for local government and environmental services. The requested $10 million is only 51% of the FY 1995 level of $19.7 million. We therefore strongly believe that this is a reasonable level to request to begin rebuilding -- and in many ways, improving -- the UE Program.

ANNEX B: CREDIT ADMINISTRATION EXPENSES

The Urban and Environment Program Administrative Expense account provides funds for operating costs associated with the Urban and Environment Credit Program (UE Program). The UE Program provides for long-term financing through the U.S. private sector to support sustainable urban and environmental development initiatives in host countries. USAID's Office of Environment and Urban Programs (G/ENV/UP) works with USAID Missions to design, implement, monitor, and evaluate UE Program activities. These activities require adequate Administrative Expense funds. For simplicity, the operating costs of the UE Program can be broken down into four categories: (1) Salaries and Benefits; (2) Agency Support Costs; (3) Operating Expenses for overseas Regional Urban Development Offices (RUDOs); and (4) Other Costs. Below is a brief explanation of each of these categories:

Salaries and Benefits: includes all costs associated with personnel on the UE Program payroll in both AID/W and the field;

Agency Support Costs: includes all costs charged to the UE Program for the use of the State Department facilities, USAID-leased office space, and USAID administrative services;

RUDO Operating Expenses: includes all costs associated with the UE Program's overseas operations (mostly associated with local employees, field-based travel and transportation, ICASS, and office and residential rent). Excluded from this category are the USDH salaries and benefits which are paid under the "salaries and benefits" category; and

Other Costs: includes UE Program-related travel (AID/W-based), training, and UE Program-related contracting.

(1) Justification for FY'99 and FY'00 funding levels

G/ENV/UP is currently operating in its second year of straightlined funding level of $6 million. The following table demonstrates the level and trend of UE Program Administrative Costs since FY'95.

Table 1: UE Program Administrative Costs, FY'95 - FY'98
Dollars in thousands ($000s)

Cost and Category	FY'95	FY'96	FY'97	FY'98
Salaries and Benefits	$2,945.0	$2,745.0	$1741.2	$2025.5
Agency Support Costs	$1,099.0	$1,099.0	$1,067.2	$870.1
RUDO Operating Expenses	$3,354.0	$2,335.6	$2231.5	$2119.9
Other Costs	$602.0	$820.4	$960.1	$1037.5
TOTAL	$8,000	$7,000	$6,000	$6,053*

* - $53,000 is for ICASS, and represents a one-time budget increase from the Department of State.

In 1997, the Office of Management and Budget underscored the need for improved USAID credit management. Specifically, OMB emphasized the need for USAID to: (a) ensure accurate and timely provision of loan data; (b) establish information control systems for loan data; (c) reassess staffing needs; (d) improve budgeting for credit programs; (e) review and monitor USAID's entire loan portfolio; (f) develop financial performance indicators; and (g) make the Credit Review Board an active, functioning group.

G/ENV/UP has undertaken several concrete measures to address these issues. For example, G/ENV/UP has already brought a Credit Program Controller on board, and a Loan Servicing Officer and Credit Supervisor will follow by Summer 1998. In addition, G/ENV/UP has outsourced specific UE Program loan servicing functions to a US-based commercial bank, is an active member of the Credit Review Board, was a key member of the team that developed USAID's Credit Management Improvement Action Plan, and has developed performance-based indicators for the UE Program. Specific UE credit policies and procedures are also being formulated and will be submitted to OMB in Summer 1998. We will continue this work in FY'99 and will fully implement our portions of the Agency's Credit Management Improvement Plan by the end of FY'99.

Therefore, the UE Program Administrative Expense levels required for FY'99 and FY'00, along with detailed explanations, are as follows:

Table 2: UE Program Administrative Costs, FY'99 & FY'00
Dollars in thousands ($000s)

Cost & Category	**FY'99**	**FY'00**
Salaries and Benefits	$2435.0	$2560.0
Agency Support Costs	$817.0	$873.0
RUDO Operating Expenses	$2018.5	$2081.5
Other Costs	$829.5	$735.5
TOTAL	**$6100.0**	**$6250.0**

These levels do not differ significantly from the FY'98 level of $6.053 million, despite G/ENV/UP's increased responsibilities and duties. The $6.1 million level represents an incorporation of the increased cost of ICASS into the overall budget plus an additional minor increase of $47,000. The $6.25 million level represents a 2.46% increase, which is less than inflation. Below is a detailed justification of the requested increase by cost category.

Salaries and Benefits: Salaries and Benefits, cut dramatically by over 25% from FY'95 through FY'98 through the reassignment of personnel and the Agency's Reduction-In-Force (RIF), has increased due to the addition of an OMB-approved credit portfolio management group.

Agency Support Costs: As a result of outsourcing of loan servicing functions and reorganization within M/FM/LM, G/ENV/UP will be able to reduce support costs for M/FM/LM to an estimated annual level of $130,000. This decrease is partially offset by an anticipated increase in agency support costs due to the addition of the new credit portfolio management group.

RUDO Operating Expenses: As a result of streamlining and reorganization, RUDO OE expenses were pared back by 37% from FY'95 to FY'98. Between FY'98 and FY'00, overall RUDO OE expenses will decline by almost $40,000.

Other Costs: From FY'98 to FY'99, these costs will decline due to reduced cost of the outsourcing of specialized technical loan management. These costs decline again in FY'00 due to reduced staff turnover overseas and due to the fact that the costs of credit management evaluation will be incurred in FY'99.

(2) If Requested Levels Are Not Met

If G/ENV/UP does not receive the requested level of UE Program

Administrative Expense funds and only receives the target level of $6.1 million in FY'00, there will be a number of consequences. Although the only cost category increase between FY'98 and FY'00 is found under "Salaries and Benefits", G/ENV/UP will have to cut costs under the "Other Costs" category since we cannot cut our payroll without severely damaging the credit management improvements of the past year. Specifically, G/ENV/UP will not be able to afford a sufficient number of credit risk analyses necessary for good credit analyses of potential authorizations under the UE Program. Secondly, G/ENV/UP will have to cut its travel budget by almost 20%. This will impede G/ENV/UP's ability to monitor its existing portfolio and programs since many RUDOs have been closed or scaled-back since FY'95. Combined, these will negatively impact G/ENV/UP's ability to manage existing and future SSO and credit program responsibilities. See Table 3 below for details on the proposed FY 2000 Credit Administration Expenses.

Table 3: UE Program Administrative Expense Costs at $6.1 million in FY'00

Dollars in Thousands (000's)

Cost and Category	**FY'00 at $6.1 million**	**Reduction/Result**
Salaries & Benefits	$2,560.00	No Reduction
Agency Support Costs	$873	No Reduction
RUDO Operating Expenses	$2,081.50	No Reduction
Other Costs	$585.50	$150.00/no UE Admin-funds available to support adequate CAMEL analyses and travel costs
TOTAL	**$6,100.00**	**$150.00**

USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

19-Aug-98
11:01 AM

Country/Program: Center for Environment, Global Bureau
Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 99	Estimated Total	FY 2000 Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 00	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
SSO 1|: Increased and Improved Protection and Sustainable Use of Natural Resources																		
	DA	Bilateral	4,081	10,000									10,000		12,500	80,000	30,000	FY'03
		Field Spt		0														
	Total		4,081	10,000	0		0	0	0		0	0	10,000	0			30,000	
SSO2: Improved Management of Urbanization in Targeted Areas																		
	DA	Bilateral	2,392	9,000									9,000		9,750	72,000	37,920	FY'03
		Field Spt		0														
	Total		2,392	9,000	0		0	0	0		0	0	9,000	0			37,920	
SSO3: Increased Environmentally Sustainable Energy Production and Use																		
	DA	Bilateral	8,037	18,000									18,000		22,500	144,000	65,700	FY'03
		Field Spt		0													0	
	Total		8,037	18,000	0		0	0	0		0	0	18,000	0			65,700	
Special Support Objective: Global Climate Change																		
		Bilateral	138	6,000									6,000		4,500	TBD	18,000	FY'03
		Field Spt		0														
	Total		138	6,000	0		0	0	0		0	0	6,000	0			18,000	
		Bilateral		0													0	XX
		Field Spt		0														
	Total		0	0	0		0	0	0		0	0	0	0			0	
		Bilateral		0													0	XX
		Field Spt		0														
	Total		0	0	0		0	0	0		0	0	0	0			0	
		Bilateral		0														
		Field Spt		0														
	Total		0	0	0		0	0	0		0	0	0	0			0	
		Bilateral		0														
		Field Spt		0														
	Total		0	0	0		0	0	0		0	0	0	0			0	
Total Bilateral			14,648	43,000	0		0	0	0		0	0	43,000	0				
Total Field Support			0	0	0		0	0	0		0	0	0	0				
TOTAL PROGRAM			14,648	43,000	0		0	0	0		0	0	43,000	0			**151,620**	

FY 2000 Request Sector Totals -- DA	
Econ Growth	0
[Of which Microenterpris	[]
HCD	
PHN	0
Environment	42,000
[Of which Biodiversity]	10,000
Democracy	0
Humanitarian	0

FY 2000 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	[]
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	[]
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	50,540
FY 2002 Target Program Level	50,540
FY 2003 Target Program Level	50,540

NOTE: Prior to FY 1995, G-Bureau did not maintain seperate records of core budget pipeline by Strategic Objective. Therefore, amounts shown in core budget pipelines contain field support and other non-core funds and are over-estimated

USAID FY 1999 Budget Request by Program/Country

19-Aug-98
11:01 AM

Country/Program: Center for Environment, Global Bureau
Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	Estimated Total	FY 1999 Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 99	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
SSO 1|: Increased and Improved Protection and Sustainable Use of Natural Resources																		
	DA	Bilateral	6,081	10,000									10,000		12,000	80,000	30,000	FY'03
		Field Spt		0														
		Total	6,081	10,000	0		0	0	0		0	0	10,000	0			30,000	
SSO2: Improved Management of Urbanization in Targeted Areas																		
	DA	Bilateral	2,892	7,000									7,000		7,500	72,000	37,920	FY'03
		Field Spt		0														
		Total	2,892	7,000	0		0	0	0		0	0	7,000	0			37,920	
SSO3: Increased Environmentally Sustainable Energy Production and Use																		
	DA	Bilateral	16,073	18,000									18,000		26,036	144,000	65,700	FY'03
		Field Spt		0													0	
		Total	16,073	18,000	0		0	0	0		0	0	18,000	0			65,700	
Special Support Objective: Global Climate Change																		
		Bilateral	0	2,138									2,138		2,000	TBD	18,000	FY'03
		Field Spt		0														
		Total	0	2,138	0		0	0	0		0	0	2,138	0			18,000	
		Bilateral		0													0	XX
		Field Spt		0														
		Total	0	0	0		0	0	0		0	0	0	0			0	
		Bilateral		0													0	XX
		Field Spt		0														
		Total	0	0	0		0	0	0		0	0	0	0			0	
		Bilateral		0														
		Field Spt		0														
		Total	0	0	0		0	0	0		0	0	0	0			0	
		Bilateral		0														
		Field Spt		0														
		Total	0	0	0		0	0	0		0	0	0	0			0	
Total Bilateral			25,046	37,138	0		0	0	0		0	0	37,138	0				
Total Field Support			0	0	0		0	0	0		0	0	0	0				
TOTAL PROGRAM			25,046	37,138	0		0	0	0		0	0	37,138	0			**151,620**	

FY 1999 Request Sector Totals -- DA	
Econ Growth	0
[Of which Microenterpris	[]
HCD	0
PHN	0
Environment	37,138
[Of which Biodiversity]	10,000
Democracy	0
Humanitarian	0

FY 1999 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	[]
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	[]
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	50,540
FY 2002 Target Program Level	50,540
FY 2003 Target Program Level	50,540

NOTE: Prior to FY 1995, G-Bureau did not maintain seperate records of core budget pipeline by Strategic Objective. Therefore, amounts shown in core budget pipelines contain field support and other non-core funds and are over-estimated

USAID FY 1998 Budget Request by Program/Country

19-Aug-98
11:01 AM

Country/Program: Center for Environment, Global Bureau
Scenario: Base Level

S.O. # , Title / Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	Estimated Total	FY 1998 Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
SSO 1: Increased and Improved Protection and Sustainable Use of Natural Resources																	
DA	Bilateral	8,732	10,025									10,025		30,066	80,000	30,000	FY'03
	Field Spt		0														
Total		8,732	10,025	0		0	0	0		0	0	10,025	0			30,000	
SSO2: Improved Management of Urbanization in Targeted Areas																	
DA	Bilateral	6,090	5,500									5,500		10,371	72,000	37,920	FY'03
	Field Spt		0														
Total		6,090	5,500	0		0	0	0		0	0	5,500	0			37,920	
SSO3: Increased Environmentally Sustainable Energy Production and Use																	
DA	Bilateral	3,964	18,000									18,000		24,075	144,000	65,700	FY'03
	Field Spt		0													0	
Total		3,964	18,000	0		0	0	0		0	0	18,000	0			65,700	
Special Support Objective: Global Climate Change																	
DA	Bilateral	0	0									0			TBD	18,000	FY'03
	Field Spt		0														
Total		0	0	0		0	0	0		0	0	0	0			18,000	
	Bilateral		0													0	XX
	Field Spt		0														
Total		0	0	0		0	0	0		0	0	0	0			0	
	Bilateral		0													0	XX
	Field Spt		0														
Total		0	0	0		0	0	0		0	0	0	0			0	
	Bilateral		0														
	Field Spt		0														
Total		0	0	0		0	0	0		0	0	0	0			0	
	Bilateral		0														
	Field Spt		0														
Total		0	0	0		0	0	0		0	0	0	0			0	
Total Bilateral		18,786	33,525	0		0	0	0		0	0	33,525	0				
Total Field Support		0	0	0		0	0	0		0	0	0	0				
TOTAL PROGRAM		18,786	33,525	0		0	0	0		0	0	33,525	0			**151,620**	

FY 1998 Request Sector Totals -- DA	
Econ Growth	0
[Of which Microenterpris	[]
HCD	0
PHN	0
Environment	33,525
[Of which Biodiversity]	10,000
Democracy	0
Humanitarian	0

FY 1998 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	[]
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	[]
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	50,540
FY 2002 Target Program Level	50,540
FY 2003 Target Program Level	50,540

NOTE: Prior to FY 1995, G-Bureau did not maintain seperate records of core budget pipeline by Strategic Objective. Therefore, amounts shown in core budget pipelines contain field support and other non-core funds and are over-estimated

Org._G/ENV_____ FY 1998 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con-troller	AMS/ EXO	Con-tract	Legal	All Other		
U.S. Direct Hire	9	2	8	0				19	9					2	11	30
Other U.S. Citizens: 1/																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	5	17	6	0				28	2						2	30
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	14	19	14	0	0	0	0	47	11	0	0	0	0	2	13	60
TAACS								0							0	0
Fellows	5	1	1		0			7							0	7

1/ Excluding TAACS and Fellows

Org._G/ENV_____ FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con-troller	AMS/ EXO	Con-tract	Legal	All Other		
U.S. Direct Hire	9	2	9	0				20	9					1	10	30
Other U.S. Citizens: 1/																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	5	18	8	6				37	3						3	40
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	14	20	17	6	0	0	0	57	12	0	0	0	0	1	13	70
TAACS								0							0	0
Fellows	5	1	1					7	1						1	8

1/ Excluding TAACS and Fellows

Org._G/ENV_____ FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con-troller	AMS/ EXO	Con-tract	Legal	All Other		
U.S. Direct Hire	9	2	9					20	9					1	10	30
Other U.S. Citizens: 1/																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	5	18	8	6				37	3						3	40
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	14	20	17	6	0	0	0	57	12	0	0	0	0	1	13	70
TAACS								0							0	0
Fellows	5	1	1					7	1						1	8

1/ Excluding TAACS and Fellows

Org._G/ENV_____ FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con-troller	AMS/ EXO	Con-tract	Legal	All Other		
U.S. Direct Hire	9	2	9	0				20	9					1	10	30
Other U.S. Citizens: 1/																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	5	18	10	6				39	3						3	42
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	14	20	19	6	0	0	0	59	12	0	0	0	0	1	13	72
TAACS								0							0	0
Fellows	5	1	1	0				7	1						1	8

1/ Excluding TAACS and Fellows

Org._G/ENV_____ FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con-troller	AMS/ EXO	Con-tract	Legal	All Other		
U.S. Direct Hire	9	2	9	0				20	9					1	10	30
Other U.S. Citizens: 1/																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	5	18	10	6				39	3						3	42
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	14	20	19	6	0	0	0	59	12	0	0	0	0	1	13	72
TAACS								0							0	0
Fellows	5	1	1					7	1						1	8

1/ Excluding TAACS and Fellows

Org._G/ENV_____ FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con-troller	AMS/ EXO	Con-tract	Legal	All Other		
U.S. Direct Hire	9	2	10	0				21	9					1	10	31
Other U.S. Citizens: 1/																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	5	18	10	6				39	3						3	42
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	14	20	20	6	0	0	0	60	12	0	0	0	0	1	13	73
TAACS								0							0	0
Fellows	5	1	1	0				7	1						1	8

1/ Excluding TAACS and Fellows

Org._G/ENV_____ Summary On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff							Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con-troller	AMS/ EXO	Con-tract	Legal	All Other	Total Mgmt.	
FY 1998:																
U.S. Direct Hire	9	2	8	0	0	0	0	19	9	0	0	0	0	2	11	30
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	9	2	8	0	0	0	0	19	9	0	0	0	0	2	11	30
Program Funded	5	17	6	0	0	0	0	28	2	0	0	0	0	0	2	30
Total FY 1998	14	19	14	0	0	0	0	47	11	0	0	0	0	2	13	60
FY 1999 Target:																
U.S. Direct Hire	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
Program Funded	5	18	8	6	0	0	0	37	3	0	0	0	0	0	3	40
Total FY 1999 Target	14	20	17	6	0	0	0	57	12	0	0	0	0	1	13	70
FY 1999 Request:																
U.S. Direct Hire	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
Program Funded	5	18	8	6	0	0	0	37	3	0	0	0	0	0	3	40
Total FY 1999 Request	14	20	17	6	0	0	0	57	12	0	0	0	0	1	13	70
FY 2000 Target:																
U.S. Direct Hire	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
Program Funded	5	18	10	6	0	0	0	39	3	0	0	0	0	0	3	42
Total FY 2000 Target	14	20	19	6	0	0	0	59	12	0	0	0	0	1	13	72
FY 2000 Request:																
U.S. Direct Hire	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	9	2	9	0	0	0	0	20	9	0	0	0	0	1	10	30
Program Funded	5	18	10	6	0	0	0	39	3	0	0	0	0	0	3	42
Total FY 2000 Request	14	20	19	6	0	0	0	59	12	0	0	0	0	1	13	72
FY 2001 Estimate:																
U.S. Direct Hire	9	2	10	0	0	0	0	21	9	0	0	0	0	1	10	31
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	9	2	10	0	0	0	0	21	9	0	0	0	0	1	10	31
Program Funded	5	18	10	6	0	0	0	39	3	0	0	0	0	0	3	42
Total FY 2001 Estimate:	14	20	20	6	0	0	0	60	12	0	0	0	0	1	13	73

MISSION :

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	No. of USDH Employees In Backstop FY 98	No. of USDH Employees In Backstop FY 99	No. of USDH Employees In Backstop FY 2000	No. of USDH Employees In Backstop FY 2001
01SMG				
02 Program Off.				
03 EXO				
04 Controller				
05/06/07 Secretary				
10 Agriculture.				
11Economics				
12 GDO				
12 Democracy				
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.				
25 Engineering				
40 Environ				
50 Health/Pop.				
60 Education				
75 Physical Sci.				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*				
TOTAL	0	0	0	0

*please list occupations covered by other if there are any

Center for Environment/Global Bureau 00-OE1.WK4

OC		FY 98 Estimate	FY 99 Base	FY 99 Request	FY 00 Base	FY 00 Request
11.8	**Special personal services payments**	Do not enter data on this line.				
	IPA/Details-In/PASAs/RSSAs Salaries					
	Subtotal OC 11.8	0.0	0.0	0.0	0.0	0.0
12.1	**Personnel Benefits**					
	IPA/Details-In/PASAs/RSSAs Salaries					
	Subtotal OC 12.1	0.0	0.0	0.0	0.0	0.0
21.0	**Travel and transportation of persons**	Do not enter data on this line.				
	Training Travel					
	Operational Travel	Do not enter data on this line.				
	Site Visits - Headquarters Personnel	50.0	48.0	48.0	50.0	50.0
	Site Visits - Mission Personnel					
	Conferences/Seminars/Meetings/Retreats					
	Assessment Travel	30.7	28.7	28.0	26.7	26.7
	Impact Evaluation Travel					
	Disaster Travel (to respond to specific disasters)					
	Recruitment Travel					
	Other Operational Travel					
	Subtotal OC 21.0	80.7	76.7	76.0	76.7	76.7
23.3	**Communications, Utilities, and Miscellaneous Charges**	Do not enter data on this line.				
	Commercial Time Sharing					
	Subtotal OC 23.3	0.0	0.0	0.0	0.0	0.0
24.0	**Printing & Reproduction**	Do not enter data on this line.				
	Subscriptions & Publications					
	Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0
25.1	**Advisory and assistance services**	Do not enter data on this line.				
	Studies, Analyses, & Evaluations					
	Management & Professional Support Services					
	Engineering & Technical Services					
	Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0
25.2	**Other services**	Do not enter data on this line.				
	Non-Federal Audits					
	Grievances/Investigations					
	Manpower Contracts					
	Other Miscellaneous Services					
	Staff training contracts					
	Subtotal OC 25.2	0.0	0.0	0.0	0.0	0.0
25.3	**Purchase of goods and services from Government accounts**	Do not enter data on this line.				
	DCAA Audits					
	HHS Audits					
	All Other Federal Audits					
	Reimbursements to Other USAID Accounts					
	All Other Services from other Gov't. Agencies					
	Subtotal OC 25.3	0.0	0.0	0.0	0.0	0.0
25.7	**Operation & Maintenance of Equipment & Storage**					
	Subtotal OC 25.7	0.0	0.0	0.0	0.0	0.0
25.8	**Subsistance and support of persons (contract or Gov't.)**					
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0
26.0	**Supplies and Materials**					
	Subtotal OC 26.0	0.0	0.0	0.0	0.0	0.0
31.0	**Equipment**					
	ADP Software Purchases					
	ADP Hardware Purchases					
	Subtotal OC 31.0	0.0	0.0	0.0	0.0	0.0
	TOTAL BUDGET	80.7	76.7	76.0	76.7	76.7